

SOUTH GIPPSLAND SHIRE COUNCIL

Annual Report 2024/25



Report for the year ending 30 June 2025



South Gippsland
Shire Council

Acknowledgement of Country

We acknowledge the Bunurong and Gunaikurnai people as the Traditional Custodians of South Gippsland and pay respect to their Elders, past, present, and future, for they hold the memories, traditions, culture, and hopes of Aboriginal and Torres Strait Islander people of Australia.

Our Contact Information



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5662 9200



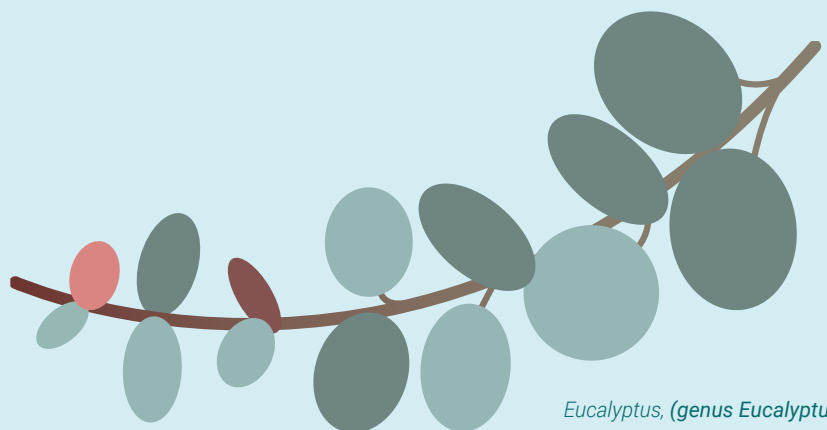
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[www.facebook.com/
southgippslandshirecouncil](https://www.facebook.com/southgippslandshirecouncil)



Eucalyptus, (genus Eucalyptus)

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OUR REGION

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About our Annual Report

South Gippsland Shire Council's 2024/25 Annual Report provides a comprehensive overview of the organisation's achievements, challenges, and performance over the past financial year. It highlights the breadth of Council's operations and the wide range of services and projects delivered to the South Gippsland community.

The 2024/25 Annual Report also reflects the significant progress made over the past 12 months—representing some of Council's strongest results in recent years.

This report forms a key part of Council's commitment to transparency and accountability, both to the community and in compliance with the *Local Government Act 2020*. In accordance with the Act, all councils are required to present their Annual Report at an open meeting of Council by 31 October each year.

How to Read the Report

South Gippsland Shire Council's 2024/25 Annual Report is divided into six key sections:

1. Report Overview

Provides context for the Annual Report and offers a snapshot of the Shire, highlighting key events and achievements from the past year.

2. Our Performance – An Overview

Includes a financial summary and details of Council's major capital works. It also reviews progress on the objectives outlined in the *2022–2026 Council Plan*.

3. Our Organisation

Presents an overview of Council's organisational structure, workforce, and internal operations.

4. Our Performance

Aligned with the themes of the Council Plan, this section outlines Council's performance across a wide range of services and activities. It includes a review of budget-funded services and results against legislated performance measures.

5. Our Governance

Details Council's governance framework, including legislative obligations, democratic processes, and internal governance practices. This section also includes required statutory disclosures under various pieces of legislation.

6. Financial Statements and Performance Statement

Prepared in accordance with the *Local Government Act 2020* and audited by the Victorian Auditor-General's Office (VAGO) and in line with the Local Government Victoria Performance Reporting framework.

Our Vision Statement

South Gippsland: celebrating our First Peoples, diverse populations, culture, heritage, environment, agriculture and industries. We support and empower positive change through education and action. We sustainably adapt to protect and enhance our unique natural environment, towns and villages through community-led planning and initiatives. We're an inclusive community, a place where people come to visit and want to stay.

Our Values

- Community and Outward Focussed
- Accountable
- Respectful
- Proactive
- Acting in the interests of the whole Shire



About South Gippsland

South Gippsland Shire Council is located in coastal south-eastern Victoria, approximately 100 kilometres south-east of Melbourne. The Shire has three wards: Tarwin Valley, Strzelecki, and Coastal Promontory.

Covering an area of 3,308 square kilometres, South Gippsland features agriculturally rich land that supports a strong agricultural sector, including dairy, beef, sheep, and vegetable production. Viticulture, commercial fishing, and a growing tourism industry also play key roles in the region's diverse economy.

South Gippsland is home to a number of iconic attractions, including the Port Welshpool Long Jetty, Cape Liptrap Coastal Park, the Great Southern Rail Trail, the Grand Ridge Rail Trail, Agnes Falls, and the world-renowned Wilsons Promontory National Park.

Regional Statistics



30,823 residents live in South Gippsland.



12,234 people work in South Gippsland.



35,869 forecast population by 2036 in South Gippsland.



Population density of 9.22 people per square kilometre.



Almost half, or 49.2 per cent of the population is aged 50 or over.



824 kilometres of sealed roads.



1,275 kilometres of unsealed roads.



Our Economy

Over the past year, South Gippsland's economic output continued to grow, with local businesses demonstrating strong resilience and capability despite ongoing challenges, including inflation, recovery from storm events, and broader international economic pressures.

In the second half of the year, large parts of the Shire experienced drought conditions, with some areas recording their lowest rainfall on record. This had a significant impact on the agricultural sector and related industries, and these effects are likely to be reflected in future economic data.

Despite these challenges, South Gippsland's economy remained robust, with visitor expenditure increasing by nearly nine per cent compared to the previous financial year.

According to the latest figures from *REMPPLAN Economic Modelling and Planning System*, South Gippsland recorded:

- Annual economic output: \$5.2 billion
- Gross Regional Product (GRP): Almost \$2.5 billion.

These represent the highest figures ever recorded for the Shire and are particularly notable given the relatively small population. Much of this growth continues to be driven by the strength of the agricultural sector.

The unemployment rate across Victoria has increased from historically low levels over the past year. However, South Gippsland continues to outperform the state average, recording an unemployment rate of just 3.0 per cent in March 2024 (Jobs and Skills Australia)—the lowest among all Gippsland local government areas and well below the Victorian average of 4.5 per cent.

Local consumer spending over the 2024/25 financial year reached nearly \$338 million. The highest-spending month was January 2025, with \$34.5 million in total expenditure. December 2024 marked the peak for local resident spending, with \$17.8 million (*Spendmapp data, provided by Geografia*).

South Gippsland also welcomed more than one million visitors during the year. Visitors contributed to 43.8 per cent of all consumer spending across the Shire—a figure that exceeds 75 per cent in some smaller towns.

Local events, particularly those integrated with main street and town centre activity—such as the Loch Food and Wine Festival—continue to play a key role in driving visitor spending and supporting the broader regional economy. Their impact is especially significant in smaller towns, where visitor expenditure can account for the majority of local consumer spending.



Key Figures



\$5.2 billion annual economic output.



\$2.5 billion gross regional product.



3 per cent unemployment rate.
(lower than the Victorian average of 4.5 per cent)



4,000 businesses.
(including more agriculture, forestry and fishing businesses than any local government area in Victoria)



\$337.8 million local consumer spend of the financial year.



1.1 million visitors per year.



Our Councillors

Councillors – Coastal Promontory Ward

Cr Steve Finlay
Elected: November 2024
☎ 0497 264 241
✉ Cr.steve.finlay@southgippsland.vic.gov.au



Cr Sarah Gilligan (Deputy Mayor)
Elected: November 2024
☎ 0484 921 547
✉ Cr.sarah.gilligan@southgippsland.vic.gov.au



Cr Scott Rae
Elected: November 2024
☎ 0484 929 738
✉ Cr.scott.rae@southgippsland.vic.gov.au



Councillors – Strzelecki Ward

Cr Nathan Hersey
Elected: November 2024
☎ 0458 974 564
✉ Cr.nathan.hersey@southgippsland.vic.gov.au



Cr Bron Beach
Elected: November 2024
☎ 0472 575 366
✉ Cr.bron.beach@southgippsland.vic.gov.au



Cr John Kennedy
Elected: November 2024
☎ 0488 265 692
✉ Cr.john.kennedy@southgippsland.vic.gov.au



Councillors – Tarwin Valley Ward

Cr John Schelling (Mayor)
Elected: November 2024
☎ 0418 595 346
✉ Cr.john.schelling@southgippsland.vic.gov.au



Cr Brad Snell
Elected: November 2024
☎ 0455 070 113
✉ Cr.brad.snell@southgippsland.vic.gov.au



Cr Clare Williams
Elected: November 2024
☎ 0484 918 850
✉ Cr.clare.williams@southgippsland.vic.gov.au



Previous Council Term

Cr Adrian Darakai Term Elected: 2021-2024 Ward: Tarwin Valley	Cr Michael Felton Term Elected: 2021-2024 Ward: Strzelecki	Cr Mohya Davies Terms Elected: 2008-2016, 2021-2024 Ward: Coastal Promontory	Cr Jennifer Keerie Term Elected: 2021-2024 Ward: Strzelecki
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Message from the Mayor

This Annual Report marks the first for the current term of Councillors and concludes the *2022–2026 Council Plan*. It is a report that reflects the breadth of Council's achievements over the past year, and I am proud of how much has been delivered on behalf of the South Gippsland community.

In 2024/25, Council delivered a wide range of projects and programs, provided essential support to the community, and implemented strategic initiatives to strengthen and grow our region. We also maintained sound financial management, ensuring Council remains in a strong fiscal position with a positive long-term outlook.

Council also strengthened its relationships across all levels of government and the political spectrum. This helped us to achieve several significant advocacy outcomes and tangible benefits for our community, including:

- \$2.4 million to realign the Simons Lane intersection with the Bass Highway, secured through the Australian Government's Safer Local Roads and Infrastructure Program.
- AusNet funding for a generator and response vehicle to support the community during power outages and emergency events.
- Funding for a Mirboo North Resilience Hub, in partnership with the Mirboo North and District Community Foundation.
- Announcement of a new childcare and kindergarten facility in Meeniyar, set to open in 2026, to meet growing demand linked to the expansion of three-year-old kindergarten.
- Improvements to broadband and mobile coverage, including NBN fixed wireless upgrades across 22 localities.

These outcomes reflect Council's proactive approach to advocacy and its commitment to ensuring South Gippsland remains connected, resilient, and well-prepared for the future.

Council also continued its support of local, volunteer-led groups through the Community, Emergency, and Small Grant Programs, distributing a total of \$263,151 in funding throughout 2024/25. These grants helped fund equipment, event delivery, and program facilitation—delivering meaningful, on-the-ground benefits for South Gippsland communities.

Council also hosted and supported a number of local events throughout the year, including a series of live music performances in our small halls, as well as community training, workshops, and forums—all



designed to foster connection, build capacity, and strengthen community resilience.

In November 2024, a new Council was sworn in for a four-year term, welcoming a mix of returning and newly elected Councillors. Together with the community, we set out to develop a new Council Plan that will guide our work and focus over the coming years. As part of this process, Council invited the community to share their priorities for the future of South Gippsland.

In February 2025, we received more than 1,200 community submissions, which directly informed development of Council's Integrated Planning suite, including the *Council Plan*, *Asset Plan*, *Annual Budget*, *Rating and Revenue Plan*, *Long Term Financial Plan* and *Municipal Public Health and Wellbeing Plan*.

This collaborative planning process has provided a strong foundation for the future, ensuring that Council's objectives remain aligned with the needs and aspirations of our community.

On behalf of all Councillors, I can confidently say that 2024/25 was a significant year—one of learning, development, and cohesion. As a group, we have embraced our responsibilities with commitment and integrity, and I am proud of the high-quality strategic documents and decisions we have delivered in such a short time.

I would like to sincerely thank my fellow Councillors for their ongoing support and their dedication to serving the best interests of South Gippsland.

I also extend my gratitude to Chief Executive Officers Allison Jones and Kerry Ellis, and to our Executive Leadership Team and Council staff, whose professionalism and commitment made our many achievements possible.

Finally, thank you to our local community. Your engagement, ideas, and support have been essential to the progress made this year. Together, we continue to build a vibrant, connected, and resilient South Gippsland. Thank you.

Cr John Schelling

Mayor, South Gippsland Shire Council

OUR ORGANISATION

- MESSAGE FROM THE CHIEF EXECUTIVE OFFICER
- OUR EXECUTIVE LEADERSHIP TEAM
- OUR ORGANISATIONAL STRUCTURE
- OUR PEOPLE



Message from the Chief Executive Officer

I am pleased to present the 2024/25 Annual Report for South Gippsland Shire Council. This report outlines Council's performance over the first year of the current Council term and demonstrates our ongoing commitment to delivering high-quality services and infrastructure for the South Gippsland community.

The 2024/25 financial year was marked by strong project delivery, continued progress on strategic priorities, and collaboration across all levels of government. Despite external challenges—including inflationary pressures and prolonged drought conditions—Council has remained focused on delivering outcomes that support the long-term wellbeing and prosperity of the Shire.

Key Achievements:

1. Capital Works Program:

Council successfully delivered a \$34 million capital works program, representing a significant investment in local infrastructure. Major projects completed this year include:

- The Meeniyen Community Hub (\$2.35 million), jointly funded by Council and the Australian Government.
- Korumburra Streetscape Revitalisation, including improved footpaths, traffic lane reconfiguration, and access.
- New public amenities in Korumburra and Leongatha, and a connecting ramp between Leongatha's CBD and the Railway Precinct.
- New changerooms for the Korumburra-Bena Football and Netball Clubs, supported by state and federal funding.
- Road upgrades, including the North Poowong Road sealing and Nelson Street reconstruction in Foster.

2. Regional Collaboration:

Council partnered with Wellington Shire Council to submit a joint application to the Australian Government's *Regional Precincts Partnerships Program*, seeking \$4.7 million to support planning for the offshore wind sector and future population growth across the two regions.

3. Ongoing Infrastructure Projects:

Progress continued on several major projects, including the *Leongatha and Korumburra Railway Precinct Revitalisation Projects* and a new laneway connection between Commercial Street and Little Princes Street in Korumburra. These initiatives have been supported by the Victorian and Australian governments, and we acknowledge their continued partnership.



Operational Achievements

Council continued to build internal capability through in-house professional development programs, including coaching, mentoring, and secondment opportunities—achieving strong results in a cost-effective manner. Our workforce turnover rate remains competitively low.

Challenges and Response:

While the year saw notable achievements, it was also shaped by environmental and economic challenges. Following the flooding experienced in late 2023, large parts of the Shire endured drought conditions during 2024, significantly affecting the agricultural sector and local communities. In response, Council worked alongside Victorian agencies to support community wellbeing, including targeted mental health initiatives. The *'Parma with a Farmer'* event was a standout success, selling out and providing a meaningful platform for connection and support.

Acknowledgements:

I would like to acknowledge the leadership and commitment of:

- Mayor Cr John Schelling
- Deputy Mayor Cr Sarah Gilligan
- Councillors Nathan Hersey, John Kennedy, Bron Beach, Brad Snell, Clare Williams, Steve Finlay, and Scott Rae.

Their collaborative approach and clear direction have laid a strong foundation for this Council term. I also extend my sincere appreciation to Council's talented Senior Leadership Team, whose work makes a meaningful difference to both our organisation and the broader community every day. My thanks also go to all Council staff for their continued professionalism and dedication in serving the people of South Gippsland.

It is a privilege to support this Council and to contribute to delivering positive outcomes for our Shire.

Allison Jones

Chief Executive Officer
South Gippsland Shire Council

Our Executive Leadership Team



The Council appoints a Chief Executive Officer to manage the day-to-day operations of South Gippsland Shire Council in accordance with the strategic directions of the Council Plan. The Chief Executive Officer together with four directors, form an Executive Leadership Team that leads the organisation with support from department managers and staff.

Kerryn Ellis officially resigned as Chief Executive Officer of South Gippsland Shire on 4 December 2024, with her final day at Council on 5 February 2025. Interim CEO arrangements were implemented from February 2025, with Allison Jones serving in the role from February to May, followed by Tony Peterson from May until the official appointment of Allison Jones as Chief Executive Officer on 2 June 2025.





Allison Jones

Chief Executive Officer

Allison Jones is a distinguished senior executive in the local government sector, known for her humility and collaborative approach. With over 20 years of executive-level experience and a proven track record in financial management, she is commercially astute and excels in advocating for community needs and aspirations.

Allison is renowned for her consistent, high-quality delivery, always on time and within budget. She embodies continuous improvement and is a dedicated team player with drive, influence, and a commitment to fostering a culture of excellence.

Her dedication to supporting Council's vision is evident through her pursuit of transformational outcomes and innovative service and project delivery. Throughout her career, Allison has demonstrated her executive capabilities at South Gippsland and across the local government sector.

Since 2005, she has played key roles in executive teams, gaining extensive experience in areas such as Waste Services, Landfill, Airports, Customer Service, Planning, Local Laws, Information Technology, People and Culture, Tourism, Events, and Environmental Health. She has also successfully served as acting and interim Chief Executive Officer at Latrobe City Council, Bass Coast Shire Council, and South Gippsland.

Allison Jones was officially appointed as Chief Executive Officer of South Gippsland Shire Council on 2 June 2025.



Tony Peterson

Director Sustainable Infrastructure

Areas of responsibility:

- Infrastructure Planning
- Infrastructure Delivery
- Infrastructure Maintenance
- Open Space and Environment

Tony has over 30 years experience across private and local government sectors in all areas of infrastructure.

He holds a Bachelor Degree of Engineering (Civil), a Diploma of Project Management and is a graduate of LGPro's Emerging Leaders and Executive Leadership Programs. He also has a Masters in Business Administration and is a Board Director of Gippsland Southern Health.



Lucas Gardiner

Director Future Communities

Areas of responsibility:

- Planning and Building Services
- Community Health and Safety
- Community, Customer and Visitor

Lucas Gardiner is a committed leader who is passionate about partnering with community and business in pursuit of sustainable growth and development. Lucas' strategic approach and passion for growing high performing teams enables him to connect people to the support networks and structures that help them to grow and prosper.

Lucas' current role is Director Future Communities at South Gippsland Shire Council and prior to this, Lucas was Manager Planning Services at South Gippsland. Lucas has a diverse background studying Urban and Regional Planning at Curtin University. Prior to his time at South Gippsland, Lucas was Manager Planning Services at Mornington Peninsula Shire Council.



Michelle Jorgensen

Interim Director Performance and Innovation

Areas of responsibility:

- Digital and Technology
- Financial Strategy
- People and Culture

Michelle brings over 15 years of leadership across people and culture, strategy, and organisational transformation. Known for her strengths in team dynamics and organisational development, she is committed to creating high-performing, values-driven workplaces.

Currently serving as Interim Director Performance and Innovation at South Gippsland Shire Council, Michelle also leads the strategic finance and digital and technology portfolios. Her humanistic management style and strategic acumen have guided major initiatives in employee engagement, organisational innovation and prudent financial management.

Michelle's cross-sector experience, from retail and operations to local government, positions her as an adaptable and respected leader, driving meaningful change across diverse organisational landscapes.



Christian Stefani

Interim Director Strategy and Partnerships

Christian Stefani brings over 20 years experience across private sector and local government in areas including economic development and tourism, governance and corporate planning, communications and marketing, advocacy and emergency management.

He is currently in the interim role of Director of Strategy and Partnerships at South Gippsland Shire Council leading Council's Regional Partnerships and Governance and Integrity departments.

He holds a Bachelor Degree of Business and is a graduate of Australian Institute of Company Directors. He has held several community Board Director and Advisory roles and is currently a Board Director of Country Universities Centre Bass Coast.

Council Organisational Chart

COUNCILLORS

CHIEF EXECUTIVE OFFICER – ALLISON JONES

INTERIM DIRECTOR PERFORMANCE AND INNOVATION – MICHELLE JORGENSEN

TARYN MACFARLANE

Manager Financial Strategy

Procurement
Insurance
Disaster Recovery Funding Arrangements
Accounting

SIMON DEAN

Manager Digital and Technology

Information Management
IT Systems and Support
Enterprise PMO

VICKI POXON

Interim Manager People and Culture

OH&S
Organisational Development
Human Resources
Payroll

DIRECTOR SUSTAINABLE INFRASTRUCTURE – TONY PETERSON

WENDY OLLINGTON

Manager Infrastructure Maintenance

Construction and Structures
Footpath, Kerb and Channel
Plant / Fleet Maintenance
Roads and Drains
Routine Maintenance
Workshop

NINA BARRY-MACAULAY

Manager Open Space and Environment

Biodiversity
Parks and Gardens
Public Amenities
Vegetation

JARETH GOSS

Manager Infrastructure Delivery

Buildings
Construction
Design
Development Referrals
Engineering
Projects

KATE REISKE

Manager Infrastructure Planning

Property
Sustainability
Asset Management
Waste Management
Recreation

DIRECTOR FUTURE COMMUNITIES – LUCAS GARDINER

NICK MOORE

Manager Planning and Building Services

Statutory Planning
Strategic Planning
Building and Planning
Planning Liaison

LYNDAL PETERSON

Manager Community Health and Safety

Community Safety
Children and Family Services
Environmental Health
Immunisation
School Crossings

SOPHIE DIXON

Manager Community, Customer and Visitor

Community Development
Arts, Culture and Visitor Economy
Customer Experience

INTERIM DIRECTOR STRATEGY AND PARTNERSHIPS – CHRISTIAN STEFANI

RHYS MATULIS

Manager Governance and Integrity

Corporate Planning and Reporting
Council Support
Council Business
Risk

CHRISTINE LEGG

Interim Manager Regional Partnerships

Economic Development
Communications, Engagement and Advocacy

Our People

At South Gippsland Shire Council, our people are the key to our success. As such, it is important we strive to be an employer of choice and embed our values in everything that we do. Council's organisational values are: Accountability, Customer Focus and Excellence.

Organisational Development

South Gippsland Shire Council continues to deliver a comprehensive professional development program for staff, from the beginning of their employment and throughout their career.

The opportunities provided include:

- Online and in-person training, webinars and conference events related to specific disciplines.
- Coaching and mentoring from within the organisation and across the sector.
- Higher duties and secondment opportunities.
- Special Interest Groups where employees from numerous councils meet regularly to share learning, content and problem-solve common challenges together.
- A study assistance program that supports employees to seek further education in their chosen field.
- Onboarding and induction programs, offering a blend of online and face-to-face programs to support new employees as they enter the organisation, as well as a customised Leaders Induction Program
- An Aspiring Leaders program, offering targeted development for employees aspiring to leadership roles, and enabling succession.

Health, Safety and Wellbeing

South Gippsland Shire Council continues to focus on ensuring the health, safety and wellbeing of all employees, contractors, volunteers and other people who may be affected by our operations. This is being achieved through:

- Proactive identification and management of health and safety hazards and risks.
- Working to maintain a safe and healthy working environment for and with all employees, contractors, and volunteers through active consultation.

- Developing the health and safety knowledge and capability of recently elected Health and Safety representatives.
- Developing the skills and capability of staff representatives across various groups including Mental Health Champions, First Aiders, Healthy Mind Champions, Emergency Wardens and Contact Officers.
- Active post-incident reviews and the implementation of safe work practices and engineering to prevent recurrence.
- Sharing the knowledge and lessons learned.
- Training and professional development of all employees in areas of compliance, wellbeing and risk management.
- Providing and delivering accredited training for leaders in Mental Health First Aid.
- Providing a range of supports through the Employee Assistance Program.
- Development of *Health Safety and Wellbeing Strategic Plan 2025 – 2028*.

A key focus in 2024/25 has been the strengthening of industry-wide networks, both within the sector and beyond. This has resulted in:

- The development of sector-wide approaches to occupational violence and aggression, and psychosocial health regulations
- Shared learning across Gippsland regarding hazard reduction and risk mitigation.
- The opportunity to leverage a wide network of experience and knowledge across all areas.

In 2025/26 Council will focus on employee support in-line with its People Strategy. This includes holistic employee health, safety and wellbeing and is supported in the *Health, Safety and Wellbeing Strategic Plan 2025 – 2028*.

Equal Opportunity Employment Program

In line with the *Equal Opportunity Act 2010*, South Gippsland Shire Council is committed to providing a workplace that is free from discrimination, bullying and harassment and in which each employee is treated with dignity, courtesy and respect.

Council adopts a proactive approach to the prevention of discrimination through training, policy development, equal employment opportunities and the support provided through our trained Contact Officers.

Council regularly undertakes a thorough review of existing policies and processes related to anti-discrimination, bullying and harassment to ensure all employees are not only aware of their obligations, but have clear processes to follow if they wish to make a complaint or seek support.

Enterprise Agreement

South Gippsland Shire Council's Enterprise Agreement has a nominal expiry date of 30 June 2026, pre-planning with regards to negotiations for a new agreement will commence early 2026.

The current *South Gippsland Shire Council Enterprise Agreement 2022* (the Agreement) went to a vote in November 2022, and achieved an 83 per cent 'yes' vote.

The Agreement was submitted to the Fair Work Commission in November 2022, approved in December 2022, and came into effect on 26 December 2022.

Workforce Planning, Recruitment & Career Development

Council continues to support workforce planning initiatives across the organisation, and within the community. This has been achieved through the following activities over the past 12 months:

- Supporting local secondary schools with mock interview training and career conversations for students in years 10, 11 and 12.
- Participating in the annual *Gippsland Jobs Expo*, promoting careers at South Gippsland and connecting with jobs and employment pathways across the region.
- Provision of a scholarship and graduate placement program, through a partnership with Federation University.
- Participation in the annual *Careers Expo*, welcoming students from multiple schools across Gippsland and sharing pathways to employment in local government.
- Provision of apprenticeship and traineeship opportunities.
- Welcoming work experience students from secondary schools across South Gippsland into placements within multiple departments of Council throughout 2024 and 2025.
- Partnership with South Gippsland Bass Coast Local Learning and Employment Network, supporting education and employment pathways for young people.



Gender Equality and Prevention of Violence against Women

Council completed a number of critical objectives in line with our obligations under the *Gender Equality Act 2020*.

These include:

- Completing Council's *Gender Equality Action Plan Progress Report* and *Workplace Gender Audit* to assess our progress against seven key indicators:
 - Gender pay equity.
 - Gender composition at all levels of the workforce.
 - Gender composition of governing bodies.
 - Workplace sexual harassment.
 - Recruitment and promotion.
 - Gendered work segregation.
 - Leave and flexibility.
- Undertaking Gender Impact Assessments on all new or revised policies, programs or services that have a direct and significant impact on the public.
- Progressing the initiatives outlined in Council's four-year *Gender Equality Action Plan*

The *Gender Equality Action Plan* is in its fourth year of implementation. Actions that have been progressed to date include:

- Promoting flexible work practices.
- Developing our internal trainer network for *Active Bystander* training and extending the partnership for delivering this program across Gippsland through partnerships within and external to local government.
- Conducting analysis of identified pay gaps to understand their underlying causes, including the influence of intersectional factors, and engaging with the *People and Remuneration Committee* to ensure clear oversight and governance of remuneration reviews and recruitment practices.
- Improving the review and reporting of employment data to provide gender disaggregated data to allow for deeper analysis and understanding of trends.
- Enhancements to Council's parental leave provisions to support parents of all genders.
- Continued delivery of *Gender Equality* and *Responding to Disclosures* training for leaders, as well as *Active Bystander*, and *Respect in the Workplace* training for all employees.
- Design of a Learning and Development, and Leadership Framework to support and embed gender equality across multiple streams of development at Council.



2025 Candlelight Vigil at Memorial Hall, Leongatha

Employee Data

At 30 June 2025, South Gippsland Shire Council had 269.9 full-time equivalent (FTE) employees including ongoing, temporary and casual positions. The tables below break down these positions based on organisational structure, employment type, gender and banding.

Workforce Data by Full-Time Equivalent and Gender

Employment Type	Office of the CEO	Strategy and Partnerships	Performance and Innovation	Sustainable Infrastructure	Future Communities	Total 2023/24 FTE	Total 2024/25 FTE
Full Time (FT)							
Female	2	10	24	18	32	92	85.8
Male	0	3	16	100	14	136	133
Total	2	13	40	118	46	228	218.8
Part Time (PT)							
Female	0	2	7	4	38	27.26	26.88
Male	0	0	3	9	11	11.85	14.14
Total	0	2	10	13	49	39.11	41.02
Casual							
Female	0	0	13	2	31	3.54	8.37
Male	0	0	2	1	5	2.43	1.74
Total	0	0	15	3	36	5.97	10.11
Total Overall	2	15	65	134	131	273.08	269.93

Note: At 30 June 2024, South Gippsland Shire Council had 273.08 full-time equivalent (FTE) employees including ongoing, temporary and casual positions. This data is provided at a single point in time. It does not consider employment context such as fixed term, grant funded, capital works, or leave replacement in sourcing of previously contracted services.

Workforce Data by Classification and Gender

Employment Classification	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	All other EFT
Ongoing Full Time (FT)									
Female	0.0	0.0	4.0	10.0	13.8	23.0	13.0	14.0	8.0
Male	0.0	0.0	46.0	16.0	16.0	18.0	18.0	12.0	7.0
Total	0.0	0.0	50.0	26.0	29.8	41.0	31.0	26.0	15.0
Ongoing Part Time (PT)									
Female	2.4	0.0	1.5	3.6	5.6	5.0	6.5	2.3	0.0
Male	2.3	0.0	4.2	1.7	1.0	1.6	2.2	1.2	0.0
Total	4.7	0.0	5.7	5.3	6.6	6.6	8.7	3.5	0.0
Casual									
Female	0.9	0.0	0.4	4.6	0.0	1.0	1.5	0.0	0.0
Male	0.4	0.0	0.3	1.0	0.0	0.0	0.0	0.0	0.0
Total	1.3	0.0	0.7	5.6	0.0	1.0	1.5	0.0	0.0
Total Overall	6.0	0.0	56.4	36.9	36.4	48.6	41.2	29.5	15.0

* Please note that this table reflects ongoing positions only.

REPORT OVERVIEW

- FINANCIAL OVERVIEW
- DESCRIPTION OF OPERATIONS
- CAPITAL WORKS
- COMMUNITY GRANTS



Opening of the Meeniyah Community hub

Financial Overview

Detailed information relating to South Gippsland Shire Council's financial performance is included in the Annual Financial Report and Performance Statement included at the end of this report.

Operating Position

South Gippsland Shire Council's 2024/25 Comprehensive Income Statement highlights that Council returned a surplus of \$20.6 million (\$9.8 million deficit in 2023/24). It should be kept in mind that the surplus for the year is not a cash-based result but remains an accounting surplus which includes depreciation and excludes net asset revaluation increments.

A review of South Gippsland Shire Council's asset valuations led to a revaluation increment of \$18.3 million mainly in the value of Council's buildings, road and bridge assets leading to a Comprehensive Income Statement surplus of \$38.9 million.

Comprehensive Income Statement

Income

South Gippsland Shire Council's operating income for 2024/25 was \$106.6 million (\$80.0 million in 2023/24).

Major categories of income include:

- Rates and charges income – \$52.5 million
- Operating grants – \$27.6 million.
- Capital grants – \$10.0 million.

Expenditure

Total operating expenditure for 2024/25 including depreciation was \$86.0 million (\$89.8 million in 2023/24).

Major categories of expenditure include:

- Employee costs (\$31.0 million). Employee and labour costs including salary on-costs such as WorkCover premium, provision for employee entitlements and South Gippsland Shire Council's superannuation contributions on behalf of employees.

- Materials and services (\$31.5 million). Included in this category are the following major costs relating to:

- Materials – \$6.2 million.
- Waste contract expenditure – \$5.5 million.
- Contractors – \$5.3 million.
- Natural disasters – \$3.0 million.

- Depreciation (\$13.7 million). This reflects the reduction in the value of assets due to wear and tear and obsolescence. It has no impact on the cash position of South Gippsland Shire Council. Cash flow is impacted only at the time of purchase and sale of assets.
- Other expenses (\$9.6 million). Major items of expenditure in this category include \$6.3 million of assets written off during the year (non-cash) and a \$1.6 million library contribution.

Balance Sheet

This discloses South Gippsland Shire Council's net worth and clearly defines what Council owns as assets and what it owes as liabilities. Assets and liabilities are further separated into current and non-current categories.

Current assets or current liabilities are those which will fall due in the next 12 months, or cannot be deferred for greater than 12 months.

Net assets or total equity represents Council's accumulated net worth and includes many infrastructure and community assets such as buildings, land, parks, roads and drains.

Property, infrastructure, plant and equipment is the largest component of Council's worth (\$883.6 million) and represents the value of all the land, buildings, roads, vehicles, equipment, etc. which has been built up over many years.

Financial Sustainability Indicators

The following financial sustainability indicators are used by the Victorian Auditor General's Office (VAGO) to assess South Gippsland Shire Councils' financial sustainability risks.

Adjusted Underlying Result

The adjusted underlying result for 2024/25 of 5.85 per cent is above the target of 0.00 per cent.

The significant negative result in 2023/24 was due to timing of Council's Victorian Grants Commission payment. It had been normal practice to pay these grants in advance for the following year; however, this was not the case in 2023/24, and minimal amounts were received.

The other exception to the positive results is in 2021/22 which related to a significant cost for Natural Disaster events where related funding had not been received at year end.

Liquidity

The working capital ratio, which assesses South Gippsland Shire Council's ability to meet current commitments, is calculated by measuring Council's current assets as a percentage of current liabilities.

Council's result of 195.92 per cent is an increase on the prior year result of 187.69 per cent working capital capacity. This indicator conveys that for every \$1 of current liability, Council has \$1.96 in current assets.

This is an indicator of a sound financial position and is above the expected target of 150 per cent with a five-year average of 247.34 per cent.

Figure 1: Adjusted Underlying Result

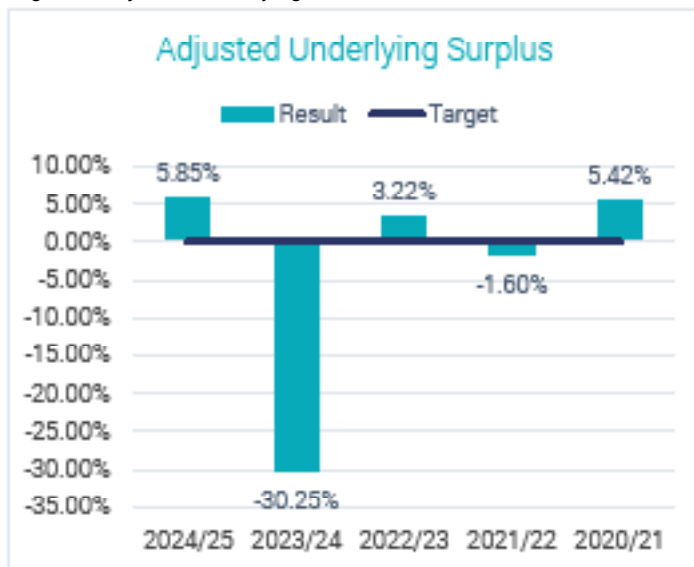
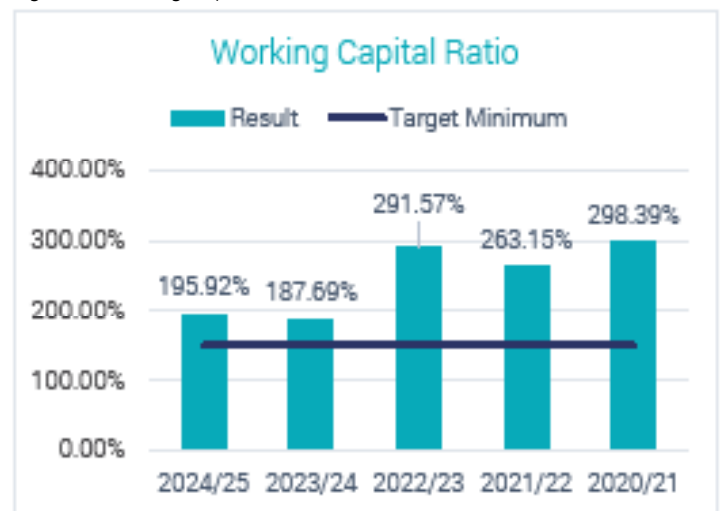


Figure 2: Working Capital Ratio



Obligations

South Gippsland Shire Council's borrowings have increased over the past five years due to the draw-down of loan facilities through Treasury Corporation Victoria.

The Community Infrastructure and Community Sports Infrastructure Loan Schemes were a Victorian Government initiative which allowed local government organisations to access low interest government-guaranteed loans in order to deliver infrastructure projects.

South Gippsland Shire Council was successful in obtaining funds to assist in the delivery of the Korumburra Streetscape, Korumburra Community Hub and the redevelopment of the Mirboo North Pool.

Council utilises borrowings on such significant capital projects to ensure the intergenerational equity of the community in that the benefit of these assets is paid for by the people using them.

Despite that, South Gippsland Shire Council remains in a very healthy financial position as indicated in Figure 3. This financial measure demonstrates Council's ability to pay the principal and interest on its borrowings when they are due from the funds it generates.

In calculating this ratio, own-sourced revenue is used rather than total revenue, because it does not include grants or contributions. At 40 per cent or lower, the Victorian Auditor General rates this risk as low and there is no concern over the ability to repay debt from own-source revenue.

Asset Renewal

South Gippsland Shire Council aims to ensure it is able to maintain its infrastructure assets at the expected levels, while also continuing to deliver the services needed by the community. Council invested \$33.0 million in asset renewal in 2024/25 (\$20.6 million in 2023/24).

Council's capital replacement ratio compares the rate of spending on infrastructure, property plant and equipment with its depreciation (Figure 4). Ratios of higher than 1:1 indicate that spending is faster than the depreciation rate. Council's five-year average of 2.48 exceeds the Victorian Auditor General's target of 1.5, which indicates there is a low risk of insufficient spending on asset renewal if this rate is maintained.

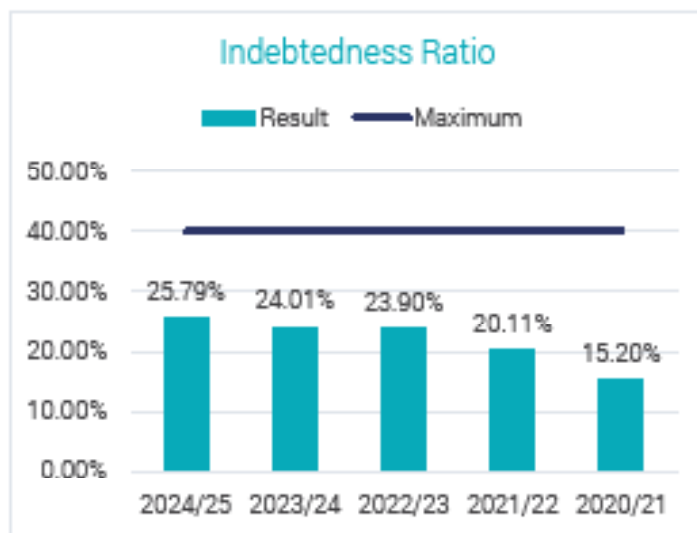
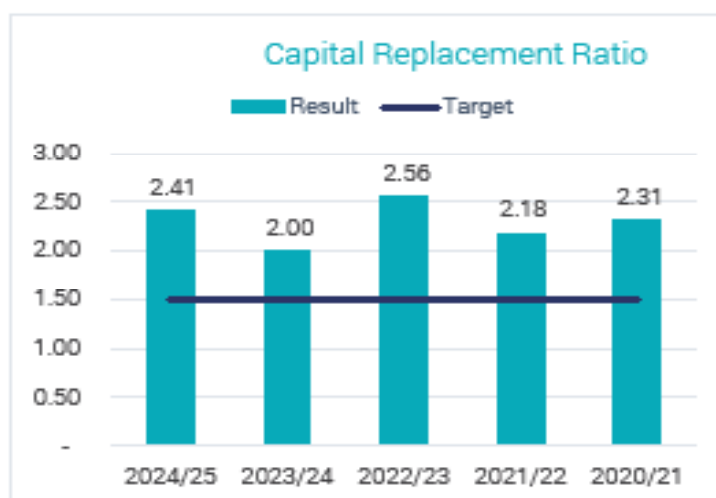


Figure 4: Capital Replacement Ratio



Shaping South Gippsland Engagement

Description of Operations

South Gippsland Shire Council delivers more than 100 services for the South Gippsland community including but not limited to:

- Children and family services;
- Youth programs;
- Sealed and gravel road maintenance;
- Open space and recreation services;
- Waste management;
- Business support;
- Land-use planning; and
- Customer service.

These services are delivered within a good governance framework and in accordance with Council's Long-Term Financial Plan.

South Gippsland Shire Council's vision, strategic objectives and initiatives are outlined in the *Council Plan 2022-2026* and supported by the 2024/25 Annual Budget. Each of the objectives are measured by a set of performance indicators.

Council operates in accordance with the **Local Government Act 2020** and in-line with other Victorian and Commonwealth legislation.

Economic Factors

The increasing costs of inflation on materials and services coupled with escalating capital works costs continues to challenge South Gippsland Shire Council to find more efficient ways to deliver services within the rate-capped environment.

Council's underlying operating result has significantly improved compared to last year, due to the timing and receipt of the annual *Financial Assistance Grants Commission Funding* payment being fully paid in 2024/25 with nothing paid in 2023/24, as well as receiving 50 per cent of the 2025/26 Financial Assistance Grants Commission Funding payment, which has impacted income by \$18.7 million.

Additionally, Council's overall expenses has decreased compared to the previous year, mainly due to a reduction in costs related to natural disasters of \$4 million because of the previous year including a significant emergency event in February 2024.

Major Changes

In November 2024, the new Councillor group was elected. The Councillors participated in a detailed induction program, with a strong focus on creating a positive culture and learning about their roles and responsibilities to support them in their role of Councillor. This included highlighting good governance practices, building community respect, developing local leadership and broadening engagement activities to inform Council decisions.

Former Chief Executive Officer, Kerry Ellis completed her term of employment in February 2025. An Interim Chief Executive Officer position was appointed from February 2025 until the formal appointment of Allison Jones as Chief Executive Officer on 2 June 2025.

To support the organisation in the development of the Integrated Planning suite of documents including the Council Plan, an interim realignment resulted in the creation of a temporary Directorate titled Strategy and Partnerships. This aligned Governance and Integrity with Regional Partnerships to further assist the newly elected Councillors with community engagement, advocacy and governance practices.

Major Achievements

South Gippsland Shire Council delivered \$34.7 million of capital works projects during 2024/25.

Major projects delivered this financial year included:

- Meeniyan Community Hub
- North Poowong Road Gravel to Seal
- Koonwarra Landfill Cell 5 Construction
- Leongatha and Korumburra Rail Precinct Redevelopments

43 projects were completed over the year, with a further six on track.

Capital Works

South Gippsland Shire Council delivered a large capital works program in 2024/25. A total of 43 projects were successfully delivered and an additional six were on-track at the end of the financial year.

Completed Path Projects

Castle Street Mirboo North: Footpath extension
Yarragon Road Leongatha: Footpath extension
Leongatha Railway Precinct Redevelopment
Footbridge - Footpath renewal
Korumburra Railway Pedestrian Underpass
Upgrade - Footpath renewal.

Completed Road and Civil Projects

Sealed Road Rehabilitation: Mount Lyall Road Nyora
Street Reconstruction: Nelson Street Foster
Gravel to Seal: North Poowong Road Poowong
Koonwarra Landfill Cell 5
Korumburra Indoor Recreation Centre Civil pavement drainage
Landslip reconstruction works
- Main South Road
- Sanders Road
- Grand Ridge Road Site 1
- Grand Ridge Road Site 2
- Clarkes Road Site 1

Programmed Civil Works

Reseal Program
Reseal Preparation Program
Guardrail Renewal Program
Drainage Rehabilitation Program
Major Culvert Renewal Program
Kerb and Channel Renewal Program
Bridge Rehabilitation Program
Linemarking Renewal Program

Status as at 30 June 2025

Project Count

On Track	6
Behind Schedule	4
Completed	43

Completed Building Projects

Meeniyan Community Hub
Korumburra Showgrounds Changerooms Project
Bena Public Toilet
Port Welshpool Old Ferry Terminal Re-roof Project
Poowong Stadium Re-roof Project
Meeniyan Stadium Re-roof Project
Retaining Wall Replacement: Fish Creek Preschool
Retaining Wall Replacement: Loch Preschool
Toora Pool Roof Canopy Replacement
Toora Pool Concourse Renewal
Meeniyan Stadium Accessible Bathroom Upgrade
Leongatha Depot Portable Office
Fish Creek Railway Station Refurbishment
Sandy Point Community Centre Deck Renewal
Leongatha and Mirboo North Stage Curtains Renewal
Shelter Renewals – Various Locations

Completed Streetscape Projects

Korumburra Streetscape Project
Leongatha Railway Precinct Redevelopment: New Public Toilets and BBQ Shelter
Leongatha Railway Precinct Redevelopment: New Playground
Korumburra Railway Precinct Redevelopment: New Public Toilets and BBQ Shelter

Community Grants

The Community Grants Program provides funding between \$1,000 and \$10,000 to community organisations across South Gippsland. The Program supports projects that enhance the quality of life, heritage, recreation and cultural opportunities for the broader South Gippsland community.

Community Grants Program

Organisation	Project Details	Area	Approved Funding
Korumburra Amateur Swimming & Life Saving Club	Resurface Korumburra Heated Swimming Pool	Korumburra	\$10,000.00
Meeniyan Dumbalk United Football Netball Club	MDU FNC Netball Facility Upgrades	Meeniyan / Dumbalk	\$10,000.00
Foster Bowls Club	"Keeping our Active Community Asset updated"	Foster	\$10,000.00
Rotary Club of Leongatha	Leongatha Rotary Club 48th Art and Photography Show 2025	Leongatha	\$10,000.00
Poowong-Loch Junior Football Club	Strategic Plan – Poowong Loch Junior Football Club	Poowong / Loch	\$5,240.00
Fish Creek Football Netball Club	Electronic Netball Scoreboard	Fish Creek	\$5,000.00
Welshpool Recreation Reserve	Welshpool Lawn Mower Race Day	Welshpool	\$5,000.00
Leongatha Recreation Reserve Committee of Management	Road and Parking upgrade design	Leongatha	\$4,980.00
Poowong Recreation Reserve Committee	Oval Surface Improvements	Poowong	\$4,800.00
Meeniyan & District Basketball Association	Uniforms	Meeniyan	\$3,500.00
Loch Public Hall	Repair and Paint Loch Public Hall Exterior Windows	Loch	\$3,500.00
BooFiit, Mirboo North	Defence & Empowerment	Mirboo North	\$3,010.00
Foster & District Agricultural & Pastoral Society Inc	Foster Agricultural Show Schedule & Pre and Post Show Tabloid Printing	Foster	\$3,000.00
North East Windsport Club	Australian National Blokart Championships	Waratah Bay	\$2,500.00
Nerrena Hall Committee of Management	Nerrena Hall Renewal Project	Nerrena	\$2,200.00
U3A Mirboo North and District	Encouraging exercise among older adults	Mirboo North	\$1,000.00
Nerrena Cricket Club	New Cricket nets	Nerrena	\$10,000.00
Korumburra Bena Football Netball Club	Behind Goal Netting	Korumburra	\$10,000.00

Organisation	Project Details	Area	Approved Funding
1st Mirboo North Scout Group	Mirboo North Scout's "Re-wall Our Hall" Project	Mirboo North	\$10,000.00
Koonwarra / Leongatha RSL Cricket Club Inc.	Irrigation - Stage 2	Koonwarra / Leongatha	\$10,000.00
Foster Cricket Club	Foster Cricket Club Drainage Upgrade	Foster	\$10,000.00
Foster War Memorial Arts Centre	Do It Deadly!	Foster	\$10,000.00
Leongatha and District Netball Association	Clubhouse Design Project	Leongatha	\$9,625.00
Waratah Beach Surf Lifesaving Club	Development of Strategic Plan	Waratah Bay	\$7,500.00
Loch and District Bowling Club	"Ambience in Clubhouse"	Loch	\$6,476.00
Corner Inlet Pony Club	Corner Inlet Pony Club Jumps for the Sky	Corner Inlet	\$6,000.00
Imperials Cricket Club	Imperials Cricket Club Nets Renovation	Leongatha	\$5,982.00
BooFiit, Mirboo North	Strong Nation	Mirboo North	\$5,920.00
Leongatha Girl Guides	Painting the outside of the Guide hall	Leongatha	\$4,400.00
Leongatha Table Tennis Association	LTTA Strategic Plan 2025-2030	Leongatha	\$4,174.00
Hallston Mechanics Institute	Hallston Hall Gutter and Downpipe Replacement	Hallston	\$4,000.00
Venus Bay, Tarwin Lower & District Men's Shed	Tarwin Festival "FREE Fun 4 Kids"	Tarwin Lower	\$3,782.00
Friends of Woodford Reserve	Restoring Nature at Woodford Reserve for Improved Community Health and Wellbeing	Korumburra	\$3,350.00
Leongatha Business Association	Biketoberfest Leongatha	Leongatha	\$3,000.00
Loch Public Hall	A book of recollections and history commemorating Loch's 150 year journey	Loch	\$3,000.00
Leongatha and District Historical Society	Tracking Down the Past	Leongatha	\$2,500.00
Manna Gum Community House	Manna Gum's Halloween Spooktacular	Foster	\$2,400.00
Leongatha Lyric Theatre	Heartbreak Choir: An Auslan-Accessible Performance	Leongatha	\$1,435.00
Nyora Football Netball Club	Junior Football Equipment	Nyora	\$1,013.00
		Total	\$218,287

2024/25 Small Grants Program

The Small Grants Program opens on the first day and closes on the last day of each month. They are assessed and announced by the close of the following month. Small Grants provide a maximum of \$1,000 at any time. Organisations may only receive two Small Grants per calendar year.

Organisation	Project Details	Area	Approved Funding
Arawata Community Hall Association	Upgrading Arawata Hall dishwasher	Arawata	\$1,000.00
Art Connect South Gippsland	Art Connect South Gippsland Open Studios 2024	South Gippsland	\$1,000.00
Dumbalk Progress Association	The Curse of Dumbalk	Dumbalk	\$1,000.00
Foster War Memorial Arts Centre	FWMAC Foyer Refresh	Foster	\$1,000.00
Koonwarra Swans Tennis Club	Repairs to fence	Koonwarra	\$1,000.00
Nyora Football Netball Club	Football Junior Girls Uniforms	Nyora	\$1,000.00
Prom Coast News Group	Physical Office	South Gippsland	\$1,000.00
South Gippsland Hospital	2025 Volunteer Lunch	Leongatha	\$1,000.00
Tarwin District Auto & Machinery Club	Printing of Tri-Fold Promotional Brochures	Tarwin Lower	\$1,000.00
Uke3a Foster	Purchase of foldback speakers and leads	Foster	\$994.00
Prom Coast Ecolink	Walkerville Coastal Geology Beach Walk	Walkerville	\$800.00
Toora Community Hall and Library	Window Tinting Toora Library	Toora	\$800.00
Woorayl Probus Club	Computers for Office Bearers	Leongatha	\$800.00
Leongatha Community Preschool Centres	Cupcakes and Cuppas	Leongatha	\$750.00
Stockyard Gallery	Angela Newberry: A Lifetime of Printmaking	Foster	\$750.00
Toora Community Action Team	Toora Christmas Eve Party	Toora	\$700.00
Venus Bay Surf Life Saving Club	Upgrade to AV Communication System	Venus Bay	\$550.00
Manna Community Garden	Garden Book Launch and Art Cube Event	Foster	\$500.00
Port Welshpool and District Bowling Club	Replacement Defibrillator (AED)	Port Welshpool	\$500.00
Sandy Point Community Group	Music at Foodies & Artisans Market	Sandy Point	\$500.00
U3A Prom Coast	U3A Music Group Establishment Costs	Foster	\$500.00
Total			\$17,144

2024/25 Emergency Grant Program

The Emergency Grant Program provides funding of up to \$5,000 for projects that require immediate funding. Applications are generally assessed within two weeks.

Organisation	Project Details	Area	Approved Funding
Strzelecki Hall	Stage One - Repairs to Fireplace and Chimney	Strzelecki	\$4,940.00
Korumburra A & P Society and Korumburra Bena Football Netball Club	Light Tower Electrical Box Cover	Korumburra	\$4,000.00
Leongatha Cricket Clubs Turf Committee	Clean out & increase capacity of water storage dam at the Leongatha Recreation Reserve	Leongatha	\$4,000.00
2nd Leongatha Scout Group	Leongatha Scout Hall Entrance Upgrade	Leongatha	\$3,500.00
Loch Memorial Reserve Inc	Tree Removal	Loch	\$3,000.00
Friends of the Lyrebird Forest Walk Inc	Replacement of Stolen Chainsaws	Mirboo North	\$2,272.47
Leongatha Knights Football Club	Portable Soccer Goals for Junior Teams	Leongatha	\$2,000.00
Bena Community Hall Inc	Replacement Air Conditioner	Bena	\$1,800.00
Leongatha Community Carols	Leongatha Community Carols	Leongatha	\$1,125.00
Imperials Cricket Club	Mower Repair	Leongatha	\$1,083.00
		Total	\$27,720.47



Water feature front of Council's main office

OUR PERFORMANCE

- OUR HIGHLIGHTS
- OUR PERFORMANCE AGAINST THE COUNCIL PLAN:
 - › THEME ONE: Connecting our People and Places
 - › THEME TWO: Economy and Industry
 - › THEME THREE: Healthy and Engaged Communities
 - › THEME FOUR: Leading with Integrity
 - › THEME FIVE: Protecting and Enhancing our Environment
 - › THEME SIX: Sustainable Growth



Highlights of 2024/25

THEME ONE: Connecting Our People and Places

In 2024/25, Council proudly delivered over \$34 million in capital works—a significant investment in the infrastructure that underpins the liveability, sustainability, and economic vitality of South Gippsland. These projects have not only improved essential services and facilities but also supported local jobs and strengthened our communities. Some of the year's standout achievements include:

Completion of the Meeniyan Community Hub

A major milestone for Meeniyan, this \$2.35 million project—funded by Council (\$1.6 million) and the Australian Government (\$750,000)—delivered a modern, sustainably designed facility featuring a community meeting room, public toilets, and much-needed storage space.

Korumburra Streetscape Revitalisation

The heart of Korumburra received a major facelift, including the replacement of brick pavers with new footpaths, reconfigured traffic lanes, and the addition of a manoeuvring lane to improve safety and accessibility for parallel parking.

Restoration of the Mirboo North Pool

Major restoration works were completed following extensive damage from the February 2024 storm event. The pool reopened before Christmas, allowing the community to enjoy this important facility over summer.

Railway Precinct Upgrades in Leongatha and Korumburra

As part of the ongoing revitalisation of our town centres, this project delivered new public toilets, a new playground in Leongatha, an upgraded shelter in Korumburra, and a new ramp linking the Leongatha CBD to the railway precinct.

North Poowong Road Upgrade

A successful gravel-to-seal project that enhanced road safety, access, and durability in this rural area.

New Change Rooms at Korumburra-Bena Football and Netball Club

Delivered in partnership with the Victorian and Australian Governments, this project supported local sport and active recreation with new, modern facilities.

Nelson Street, Foster Reconstruction

A key component of Council's Sealed Road Rehabilitation Program, this project saw the full reconstruction of the street's pavement—ensuring smoother travel for all road users.



Mirboo North Pool reopened



North Poowong Road



Leongatha Railway Precinct Playground

THEME TWO: Economy and Industry

Two years of the ArtCubes

ArtCubes have completed two years on the road. In 2024/25 they were hosted in Toora, Foster, Tarwin Lower and Venus Bay.

Dairy and farming industry

Supported development of the *Gippsland Dairy Strategy*

Local entertainment

Festival of Small Halls program at Strzelecki, Bena, Tarwin Lower, Mirboo North and Welshpool Hall's providing quality acts in intimate locations.

Community events

Supported major community events including the Korumburra Garlic Festival, Halloween at Coal Creek, Southern Lights Festival, Loch Food and Wine Festival and Fishy Stories.

Support for small businesses

Hosted a Business Masterclass Series and multiple Small business Mentoring Clinics with support from Small Business Mentoring Services.

THEME THREE: Healthy and Engaged Communities

Live4Life

Facilitated multiple sessions of the Live4Life Youth Mental Health First Aid Course, empowering adults who work closely with young people with the knowledge and skills to effectively support youth mental health and wellbeing.

Community immunisations

Implemented a new immunisation program that extends services to previously unserved areas of the Shire, including Nyora, Welshpool, and Venus Bay, improving community access to essential healthcare.

Community training

A comprehensive community training calendar was implemented with workshops well-attended - in particular social media, event planning, grant writing and committee governance training.

Maternal and Child Health

South Gippsland Shire Council continues to achieve 100 per cent for infant enrolments in the Maternal and Child Health service.

Pumbers breakfast

Successful breakfast with local plumbers facilitated to provide wastewater updates.



Opening celebration of the ArtCubes in Toora



Audience at Fish Creek Memorial Hall



Korumburra Garlic Festival



Immunisation team

THEME FOUR: Leading with Integrity

Adopted key plans for the future of South Gippsland

Including the *Community Vision* (revised), *Council Plan 2025-29*, *Annual Budget*, *Financial Plan 2025/26 - 2034/35*, *Revenue and Rating Plan 2025/29*, *Asset Plan 2025 - 35* and the *Municipal Public Health and Wellbeing Plan*.

Community engagement

Led one of Council's largest engagement initiatives — *Shaping South Gippsland* — which included 23 in-person events and extensive promotion. The engagement attracted over 1200 pieces of feedback which helped to inform development of the *Council Plan*.

Onboarded a new group of Councillors

Guiding them through inductions and foundational processes to ensure a smooth transition and strong understanding of Council operations.

THEME FIVE: Protecting and Enhancing Our Environment

Support for our Landcare Networks

Adopted a *Memorandum of Understanding* between South Gippsland Shire Council and the South Gippsland Shire Landcare Network, formalising a long-standing partnership that has delivered many natural resource management education programs and revegetation events across South Gippsland.

Waste campaign

Delivered a three-month waste and recycling campaign in partnership with Sustainability Victoria, promoting correct bin usage and providing practical tips — including guidance on safe battery disposal — to improve community waste practices.

Community planting sessions

Educational programs and planting events facilitated, including a successful fire wise planting session with South Gippsland Shire Landcare Network.

THEME SIX: Sustainable Growth

Supporting renewable energy transition

Through the *Renewable Energy Impact and Readiness Study*.

Progressed the Coastal Strategy

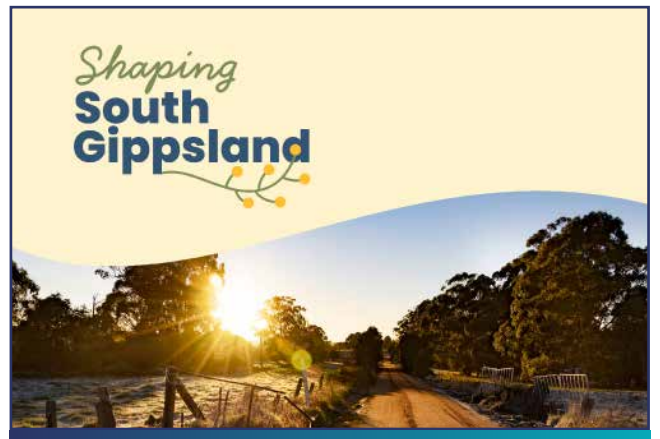
Through Council's planning processes and advocated via the Municipal Association Victoria (MAV) for state government support to strengthen coastal resilience through improved overlays.

Award success

Won the 'Leadership in Climate Adaptation and Resilience' award at the Victorian Marine and Coastal Awards 2024.



Promoting Key Plans for the Future of South Gippsland



Shaping South Gippsland Promotional Material



The planting in Leongatha



South Gippsland Fire Wise Project with Landcare Network

COUNCIL PLAN THEME ONE:

Connecting our People and Places

Objective

Improving the safety and condition of our sealed and gravel road networks and connectivity for residents and basic services is a major community and South Gippsland Shire Council priority.

We commit to continuous safety improvement in our road management, planning and processes, and a commitment to advocacy for public and community transport options and Shire-wide digital connectivity.

Priorities

- Continuously improve our road maintenance processes and community feedback mechanisms.
- Prioritise safety black-spots with advocacy for appropriate speed limits, signage and traffic calming measures.
- Advocate for improved regional connections and improved maintenance of the infrastructure.
- Enhance the network of trails and footpaths to improve pedestrian accessibility and flow to create all-ability connections between towns, tourism sites, health services and within local neighbourhoods.
- Plan and advocate for public and community transport solutions to connect residents to our larger service towns and health services.
- Advocate for whole-of-Shire digital telecommunications coverage and emergency backup planning.



Measure of Success

The following statement reviews the performance of South Gippsland Shire Council against the Measure of Success Indicators of the 2022-2026 Council Plan identified in the 2024/25 Budget.

Indicator	Target or Desired Trend	Comment	Target
Percentage of sealed road rehabilitation program delivered.	Maintain or Increase	The <i>Sealed Road Rehabilitation Program</i> has been successfully delivered this year, with 100 per cent complete. Several notable rehabilitation projects were completed including Mount Lyall Road Nyora, Dawsons Road Hallston and Nelson Street Foster. Fish Creek Streetscape works are well under way as planned and will continue into 2025/26.	Achieved
Percentage of reseal program delivered.	Maintain or Increase	The 2024/25 reseal program is 100 per cent complete, which involved the successful resurfacing of over 320,000 square metres of sealed roads.	Achieved
Percentage of footpath extension program delivered.	Maintain or Increase	The footpath extension program was successfully completed this year, with 100 per cent of projects completed. This included Castle Street, Mirboo North and Yarragon Road, Leongatha.	Achieved
Percentage of sealed roads that are below the renewal intervention level set by Council and do not require renewal. [Number of kilometres of sealed local roads below the renewal intervention level set by Council/Number of kilometres of sealed local roads]	Equal to or above 95 per cent *LGPRF Indicator	The condition of Council's sealed local road network is above the stated target, with 100 per cent of sealed local roads maintained to condition standards. This indicates that most sealed local roads remain in good condition.	Achieved
Satisfaction with sealed local roads. [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	Maintain or Increase *LGPRF Indicator	Community satisfaction with sealed roads decreased to 37 from 39 out of 100, despite asset condition data indicating that sealed roads in the Shire are generally in a good state of repair and within nominated service levels.	Not Achieved

* LGPRF Indicator: Local Government Performance Reporting Framework by Councils

Major Initiatives

The following comments review the performance of South Gippsland Shire Council against the 2024/25 Annual Initiatives of the 2022-2026 Council Plan identified in the 2024/25 Budget.

Initiative	Comment	Target
Continue developing designs for sealing priority gravel roads	Walkerville South Road design is complete and can be progressed to construction when budget allows. North Poowong Road gravel to seal project has been constructed following a robust design and permitting process and the successful attraction of grant funding.	Achieved
Increased Allocation for Building Maintenance	Council has responsibility for a very large portfolio of buildings for community use which is difficult and costly to maintain. The increased allocation for building maintenance was used to help close the gap on a maintenance shortfall for these buildings.	Achieved
Roadside Drainage Maintenance Spraying Program	Council has continued its roadside vegetation spraying program, which has delivered strong results in improving roadside drainage and protecting road pavement. The program plays a key role in maintaining the effectiveness and longevity of the road network.	Achieved



Leongatha Railway Precinct

Services: Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures, including explanation of material variations.

Local Government Service Performance Indicators					
Service	Results 2022	Results 2023	Results 2024	Results 2025	Material Variation
ROADS					
Satisfaction of use					
Sealed local road requests. <i>[Number of sealed local road requests / Kilometres of sealed local roads] x 100</i>	97	72	78	81	The slight increase in overall requests is due to increased weather events which impacted local roads.
Condition					
Sealed local roads maintained to condition standards. <i>[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x 100</i>	100%	100%	100%	100%	Council's funding levels for the renewal of sealed local roads has allowed Council to be consistently above the target standard for local sealed roads.
Service cost					
Cost of sealed road reconstruction. <i>[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]</i>	\$54	\$83	\$86	\$123	The increase in sealed road construction is due to deep-lift pavement stabilisation in urban environments. Other projects in previous years have only required a shallow-lift pavement reconstruction.
Service cost					
Cost of sealed local road resealing. <i>[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]</i>	\$4.28	\$4.94	\$6.07	\$6.24	The increase in the square metre rate of resealing is mainly associated with a change in the type of sealing treatment selected on some of Council's heavier trafficked roads, along with a general price rise in bitumen and quarry product.
Satisfaction					
Satisfaction with sealed local roads. <i>[Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]</i>	42	39	37	33	Community satisfaction with sealed roads remains relatively low, despite asset condition data indicating that sealed roads in the Shire are generally in a good state of repair and within nominated service levels. The poor condition of some arterial roads in the Shire may also be contributing to lower community satisfaction. This is supported by a tailored question in the Community Satisfaction Survey that asked respondents to specify which sealed local roads they were most concerned about. The answers indicate that many of the sealed roads that are of greatest concern to residents are administered by the Department of Transport and Planning and not Council.

Services Funded

The following statement provides information in relation to the services funded in the 2024/25 Budget that supports the Council Plan Theme 'Connecting our People and Places' and the persons or sections of the business area responsible.

Business Area	Description of Services Provided	Net Cost
		Actual \$'000
		Budget \$'000
		Result \$'000
Infrastructure Planning	The Infrastructure Planning department is responsible for the planning and managing of South Gippsland Shire Council assets to enable Council services to be delivered in an effective and efficient manner. This also encompasses waste management services, sustainability services, aquatic facilities and sport and recreation.	\$8,463
		\$9,041
		(\$578)
Infrastructure Delivery	The Infrastructure Delivery department delivers Council's civil and building Capital Works Program, building maintenance programs, and community infrastructure works. This includes the delivery of associated services such as civil design, building maintenance, and oversight of engineering for developments in accordance with the service levels for development referrals.	\$3,669
		\$4,328
		(\$659)
Infrastructure Maintenance	The Infrastructure Maintenance department provides a safe and trafficable road network by maintaining Council's roads and associated road infrastructure asset network as per Council's relevant Asset Management Plans and adopted Road Management Plan. The network of assets includes unsealed and sealed roads, drainage, stormwater, bridges, culverts, footpaths, gabion, and rock-wall formations. The department delivers part of the Capital Works Program, including the Fleet and Plant Replacement Program. The rapid response and after-hours call out service ensures the safety of Council's roads and associated road infrastructure assets, sits within this department. The Operational Support and Plant and Fleet teams also support the Open Space and Environment department.	\$10,388
		\$10,168
		\$220

COUNCIL PLAN THEME TWO:

Economy and Industry

Objective

The next four years are a time of change and growth for South Gippsland. We see this as an opportunity to define who we are and grow our economy, and to welcome innovation and investment in our key industries: agriculture, tourism and the arts.

Farming is our economic backbone and we will actively encourage investment, partnership and new business aligned with our core rural and environmental values.

We see the arts and tourism as a way to share our story, to welcome newcomers and support economic growth, whilst communicating and protecting what's special about our environment and way of life.

We understand the need to act now for future generations to contribute to our long-term viability, so we will focus on providing more reasons for young people to stay, study, work and invest in South Gippsland.

Priorities

- Support agriculture, food and fibre production to remain a competitive and significant contributor to our local and national economy.
- Strengthen economic resilience and encourage innovation to build the economy of the future.
- Enhance and diversify the visitor experience through investment attraction, product development, strategic branding and marketing.
- Ensure land-use planning and economic development are aligned to facilitate appropriate business investment, particularly in areas zoned for commercial, industrial, farming and rural activity zones.
- Implement our Economic Development, Visitor Economy and Art, Culture and Creative Industries Strategies to strengthen our economic output, jobs and creative industries.
- Provide career pathways through Council-supported scholarships, traineeships and apprenticeships, mentoring programs and work experience.
- Encourage commercial opportunities for improved visitor accommodation, encouraging tourists to visit and remain longer in our region.
- Partner with youth, education providers and industry to facilitate education and employment pathways.



Measure of Success

The following statement reviews the performance of South Gippsland Shire Council against the Measure of Success Indicators of the 2022-2026 Council Plan identified in the 2024/25 Budget.

Indicator	Target or Desired Trend	Comment	Target
Percentage change in economic output. <i>[Measure of the Gross Revenue of businesses of all industry sectors in South Gippsland]</i>	Increase	The Economic Output (gross revenues) for South Gippsland is \$5.2 billion. This is an increase of approximately \$1.4 billion - or 38 per cent - from the base figure from 2021/22. <i>Source: REMPLAN May 2025</i>	Achieved
Percentage change in Gross Regional Product. <i>[Measure of all goods and services produced within the Shire]</i>	Increase	South Gippsland's Gross Regional Product has increased to approximately \$2.46 billion. This is an increase of \$534 million - or 28 per cent - on the baseline figure from the 2021 Census. <i>Source: REMPLAN May 2025</i>	Achieved
Percentage change in employment rates within the Shire.	Increase	South Gippsland's employment rate is 97 per cent. This is the highest figure of any Local Government Area in Gippsland. The unemployment rate is 3 per cent compared to the Victorian average of 4.5 per cent.	Achieved
Percentage change in in-bound investment.	Increase	Appropriate data has not been released at a Local Government Area level for evaluation or comparison to inform baseline investment in South Gippsland. This measure cannot be completed.	Not Applicable
Number of businesses within the Shire. <i>[Number of businesses in the Shire as measured by the Australian Business Register]</i>	Increase	There are 8,335 business in South Gippsland. This is a slight decrease of 0.6 per cent from the previous year. <i>Source: Australian Business Register (March 2025).</i>	Target Not Achieved



Major Initiatives

The following comments review the performance of South Gippsland Shire Council against the 2024/25 Annual Initiatives of the 2022-2026 Council Plan identified in the 2024/25 Budget.

Initiative	Comment	Target
Plan for and support our community to maximise the benefits of the emerging renewable energy industry, through continuation of the fixed term Renewable Energy Development Officer for 2024/25.	The Renewable Energy Development Officer position concluded in June 2025. Key outcomes for South Gippsland during this period include: • The adoption of the South Gippsland and Latrobe City Renewable Energy Impact and Readiness Study 2024 with directions from the Study now being implemented. • Achieving a successful outcome from Council's advocacy efforts, with the Victorian Transmission Plan removing almost all of South Gippsland from the proposed Renewable Energy Zone. • Significant progress was made on key renewable projects during the year, such as Marinus Link.	Achieved
Implement the annual Action Plan of the 2021-2031 Economic Development Strategy.	Key actions implemented from the <i>Economic Development Strategy</i> over the past year include: • Supported the development and completion of the Gippsland Dairy Strategy. • Progressed the Tiny Towns Grant for Mirboo North, including a local Business Resilience Hub. • Backed several energy information events, including those on ExxonMobil decommissioning and VicGrid. • Supported the Science and Engineering Challenge for local schools and secured event sponsorship. • Delivered a Small Business Masterclass Program with three workshops in partnership with the Small Business Mentoring Service. • Participated in the Korumburra Careers Expo to support youth employment pathways. • Collaborated with Agriculture Victoria and others on drought support, including hosting the 'Parma for a Farmer' community event.	Achieved
Implement the annual actions of the Arts, Culture and Creative Industries Strategy.	Key actions delivered under the Arts, Culture and Creative Industries Strategy included: • Hosted exhibitions at Coal Creek Community Park and Museum by Toora Arts Network, Coal Creek Spinners, and Isabella Seraphima Rose. • Successfully programmed and delivered ArtCubes in Toora, Foster, and Venus Bay. • Relocated ArtCubes to Leongatha for a refreshed installation by renowned Japanese artist TWOONE. • Launched an ArtCube video celebrating the program's success and introduced a mentoring program for two local young artists (aged 15–25). • Secured Creative Victoria funding for the 10,000 Gigs program to support live music at Sandy Point and Coal Creek. • Began development of the 'This Park's Alive' project, funded by VicHealth.	Achieved

Initiative	Comment	Target
Implement the annual Action Plan of the <i>2021–2031 Visitor Economy Strategy</i> and the <i>2022-2031 Great Southern Rail Trail Visitor Experience and Marketing Plan</i> .	Key actions under the Visitor Economy Strategy and Great Southern Rail Trail (GSRT) Visitor Experience and Marketing Plan included: • Delivered the Visit South Gippsland Autumn Campaign, including a 7Plus TV ad targeting south-eastern Melbourne. • Visitor spend over Easter 2025 increased by 10 per cent compared to 2024, with Easter Saturday recording the highest spend day. • Ran a marketing campaign for the Loch Food and Wine Festival and Southern Lights Festival, reaching an audience of 62,000. • Attracted the inaugural Southern Rail Trail Running Festival, drawing participants from across Victoria and interstate. • Hosted the first Great Southern Rail Trail Tourism Forum, attended by over 60 participants. • Began installing 300+ wayfinding and interpretive signs along the full length of the GSRT.	Achieved



Services Funded

The following statement provides information in relation to the services funded in the 2024/25 Budget that supports the Council Plan Theme 'Economy and Industry' and the persons or sections of the business area responsible.

Business Area	Description of Services Provided	Net Cost
		Actual \$'000
		Budget \$'000
		Result \$'000
Future Communities Management	Future Communities Management provides services including: - Community, Customer and Visitor - Planning and Building Services - Community Health and Safety.	\$407
		\$340
		\$67
Community, Customer and Visitor	The Community, Customer and Visitor department provides a wide variety of community-focused services that lead Council's functions in community strengthening, tourism, events, advocacy, arts and culture and social planning.	\$3,066
		\$3,560
		(\$494)



COUNCIL PLAN THEME THREE:

Healthy and Engaged Communities

Objective

Regional Australia is going through unprecedented growth and demographic change and South Gippsland Shire Council plays an important role in advocacy across all levels of government to attract funding and implement planning controls that ensure South Gippsland's growth is socially, environmentally and economically sustainable. The unique environmental values and cultural heritage of our 28 towns, villages and hamlets are a draw card to the region. We will protect the visual character of our landscapes and streetscapes via community plans, land-use reviews, environmental assessments and township design frameworks.

Council will plan for sustainable growth with an appropriate mix of residential properties, farming and lifestyle, industrial and commercial properties, encouraging affordable housing projects, options for aged and health care, and suitable investment in services, transport, childcare and open space.

We value local knowledge, history and experience, and are committed to including the community in conversations around important change decisions and processes. We will consider the environmental and cultural impacts of growth and land use change in our actions and decision making.

Priorities

- Develop a strong relationship and partnership with the Bunurong and Gunaikurnai people to support our common environmental, cultural, social and economic objectives.
- Create places and spaces for people to connect and participate in local activities, sports and leisure, community events, and enjoy our libraries, parks, gardens and coastal areas.
- Advocate for improved health services for our community.
- Foster a sense of belonging and connectedness through involvement in community groups, fostering community leadership and engaging with our creative industries.
- Support and celebrate our volunteers through community grants and National Volunteer Week.
- Advocate for increased access to early years services including kindergarten, playgroups, childcare and for equitable access to health and social services for our community.
- Support community sport and recreation groups to grow, to build our healthy communities and enhance community connections.



Measure of Success

The following statement reviews the performance of South Gippsland Shire Council against the Measure of Success Indicators of the 2022-2026 Council Plan identified in the 2024/25 Budget.

Indicator	Target or Desired Trend	Comment	Target
Animal management prosecutions <i>[Percentage of successful animal management prosecutions]</i>	Maintain	There were two successful animal management prosecutions initiated by Council and the result remains within the expected range of 100 per cent. Council investigates all issues under the <i>Domestic Animal Act 1994</i> and initiates legal proceedings for animal-related offences, to safeguard and protect the community, whilst enhancing compliance. Where appropriate, Council plays a proactive role directly resolving animal-related issues with the involved parties.	Achieved
Utilisation of Aquatic Facilities. <i>[Number of visits to aquatic facilities per head of municipal population]</i>	Maintain or Increase	Overall attendance at our aquatic facilities increased by approximately 5,200 visits compared to the previous year.	Achieved
Percentage of critical and major non-compliance outcome notifications followed up by Council. <i>[Percentage of critical and major non-compliance outcome notifications about a food premises that are followed up by Council]</i>	Maintain	Percentage of critical and major non-compliance outcome notifications followed up by Council as required by the <i>Food Act 1984</i> was 100 per cent, compared to 78 per cent in the previous year. In total there were 70 critical and major non-compliance outcome notifications about food premises followed up. Council prioritises food safety and ensuring that any high-risk issues are identified during an assessment, and are attended to immediately, with action taken to remove and reduce the risk.	Achieved
Library membership <i>[Number of registered library members / Population]</i>	35 per cent	New measure was introduced in 2023/24. The result for library membership was 36 per cent of registered library members per municipal population. This result is higher than Council's 2024/25 annual budget target of 35 per cent.	Achieved

Indicator	Target or Desired Trend	Comment	Target
Infant enrolments in the Maternal and Child Health (MCH) service. <i>[Percentage of infants enrolled in the MCH service]</i>	95 per cent	South Gippsland Shire Council continues to achieve 100 per cent infant enrolment in the Maternal and Child Health service, reflecting strong and effective engagement with children and families across the Shire.	Achieved
Participation in the Maternal and Child Health (MCH) service. <i>[Percentage of children enrolled who participate in the MCH service]</i>	70 per cent	South Gippsland Shire Council is committed to providing high-quality Maternal Child Health services with a 72 per cent participation rate for this financial year. The result is above the 2024/25 annual budget target of 70 per cent.	Achieved
Participation in the Maternal and Child Health (MCH) service by Aboriginal children. <i>[Percentage of Aboriginal children enrolled who participate in the MCH service]</i>	65 per cent	The participation rate of 84 per cent is well above the target rate of 65 per cent. This has been attributed to an increased focus on cultural safety and awareness to be more inclusive and supportive with our First Nation families with young children.	Achieved
Participation in the Maternal and Child Health (MCH) four-week Key Ages and Stages visits. <i>[Percentage of infants enrolled who participate in this Maternal and Child Health service]</i>	95 per cent	South Gippsland Shire Council recorded an attendance rate of 103 per cent for infants at the four-week Key Ages and Stages Visit program, compared to 90 per cent in 2023/24. This indicator is above the 2024/25 annual budget target of 95 per cent.	Achieved

* All the above are Local Government Performance Reporting Framework indicators by Councils

Major Initiatives

The following comments review the performance of South Gippsland Shire Council against the 2024/25 Annual Initiatives of the 2022-2026 Council Plan identified in the 2024/25 Budget.

Initiative	Comment	Target
Implement actions from the 2022–2026 Municipal Public Health and Wellbeing Plan.	Celebration of awareness dates including: • IDAHOBIT Day and Reconciliation Week acknowledged through community flag raising events. • Mental Health First Aid Training provided to the broader South Gippsland community. • Engagement with Gippsland Regional Public Health Unit, GippSport, South Gippsland Water and Gambler's Help as partners on implementation of the 2025–2029 Municipal Public Health and Wellbeing Plan. • Engagement was undertaken with Council's Municipal Public Health and Wellbeing Plan delivery partners to provide updates on the revised 2025–2029 Municipal Public Health and Wellbeing Plan which was endorsed by Council in June 2025.	Achieved
Deliver the Live4Life program 2024/25, which provides mental health education and suicide prevention for young people in rural communities	Delivery of the Live4Life program included the following initiatives: • Welcomed Community College Gippsland as a new partner school. • The South Gippsland Live4Life Crew organised and delivered five launches in schools, including one hosted outside of school hours and included families to participate in. This is the first launch event that included parents, which was successful in spreading awareness and knowledge of the program. The Crew theme for the year is 'No matter what you are going through, someone is there for you'. • Provided a Youth Mental Health First Aid training opportunity for the broader South Gippsland community. • Teen Mental Health First Aid Training delivered to Year 8 cohort across all Partner schools.	Achieved
Continue to facilitate community plan development, to support South Gippsland communities to develop and grow.	The Community Planning Network meetings continued throughout the financial year and was open to any volunteer groups to attend. Community groups such as Outtrim Community Hall have progressed with the development of their community plan whilst groups from Korumburra, Fish Creek and Meeniyah attended Council delivered training sessions focused on understanding how to build resilience in their communities during an emergency. A Community Planning 'How To' Guide has been developed for a future pilot program.	Achieved

Services: Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures, including explanation of material variations.

Local Government Service Performance Indicators					
Service	Results 2022	Results 2023	Results 2024	Results 2025	Material Variation
ANIMAL MANAGEMENT					
Timeliness					
Time taken to action animal management requests <i>[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</i>	3.37	2.84	3.42	5.52	The increase in the number of days taken to action requests is due to a higher volume of animal-related requests being received.
Service standard					
Animals reclaimed <i>[Number of animals reclaimed / Number of animals collected] x 100</i>	58%	47%	40%	36%	The number of animals reclaimed has decreased due to a number of factors, including an increase in the number of animals surrendered to Council.
Service standard					
Animals re-homed <i>[Number of animals re-homed / Number of animals collected] x 100</i>	50%	52%	77%	83%	The number of animals rehomed either directly from the animal shelter, or transferred to rescue organisations for rehoming, has increased from 77 per cent to 83 per cent. This is due to Council offering direct adoptions, as well as a commitment to supporting animal rescue.
Service cost					
Cost of animal management service per population <i>[Direct cost of the animal management service / Municipal population]</i>	\$18.95	\$17.96	\$20.48	\$21.72	The cost of the animal management service is slightly higher, primarily due to the increased costs of veterinary services as well as general materials and consumables.
Health and safety					
Animal management prosecutions <i>[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100</i>	100%	67%	100%	100%	There were two animal management prosecutions finalised during this period. Council plays a proactive role directly resolving animal-related issues with the involved parties.

Local Government Service Performance Indicators

Service	Results 2022	Results 2023	Results 2024	Results 2025	Material Variation
AQUATIC FACILITIES					
Utilisation					
Utilisation of aquatic facilities <i>[Number of visits to aquatic facilities / Municipal population]</i>	3.62	4.85	4.47	4.61	Overall attendance at Council's aquatic facilities increased by approximately 5,200 visits compared to last year. While visits to outdoor pools declined by around 700, attendance at the leisure centre rose by 5,900.
Service costs					
Cost of aquatic facilities <i>[Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]</i>	\$12	\$10	\$12	\$11	The first full year of Council's new aquatic contract has delivered reduced operating costs compared to the previous year. Combined with increased attendance, this has resulted in a lower cost per user in 2024/25.
Service standard					
Health inspections of aquatic facilities <i>[Number of authorised officer inspections of Council aquatic facilities/ Number of Council aquatic facilities]</i>	0	0	0.50	0.33	No reported water quality concerns were reported at Council's aquatic facilities which led to a decrease in health inspector visits.
FOOD SAFETY					
Timeliness					
Time taken to action food complaints <i>[Number of days between receipt and first response action for all food complaints / Number of food complaints]</i>	1.73	1.38	1.75	1.75	Time taken to action food complaints has remained consistent due to internal process and procedure change. Result is within expected range of 1 to 10 days.
Service standard					
Food safety assessments <i>[Number of registered Class 1 food premises and Class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered Class 1 food premises and Class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x 100</i>	81%	98%	100%	96%	Result is within expected range of 50 to 120 per cent.
Service cost					
Cost of food safety service <i>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</i>	\$457	\$516	\$365	\$840	The cost of delivering the Food Safety service has increased considerably due to an alternative method in calculating this indicator. Changes to the calculation have been made after undertaking benchmarking with other Gippsland and comparable Councils.

Local Government Service Performance Indicators					
Service	Results 2022	Results 2023	Results 2024	Results 2025	Material Variation
Service standard Food safety samples <i>[Number of food samples obtained / Required number of food samples] x 100</i>					Result is within expected range of 50 to 100 per cent.
	New	New	102%	97%	
Health and safety Critical and major non-compliance outcome notifications <i>[Number of critical non-compliance outcome notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x 100</i>					Critical and major non-compliance follow-ups have returned to 100 per cent after the implementation of a robust review and procedure change. Result is within expected range of 60 to 100 per cent.
	100%	99%	78%	100%	
LIBRARIES Utilisation Loans per head of population <i>[Number of library collection item loans per head of population]</i>					The increase in library membership can be contributed to the increase in loans and the expectation current patrons are borrowing more books.
	N/A	N/A	3.96	4.25	
Resource Standard Recently purchased library collection <i>[Number of library collection items purchased in the last five years / Number of library collection items] x 100</i>					The small variation is due to the increase of costs per item.
	\$64	\$57	\$58	\$57	
Participation Library Membership <i>[Number of registered library members/Population] x 100</i>					New measure for 2023/24. The expected range is 20 to 40 per cent and the result was above Council's annual budget target of 35 per cent.
	N/A	N/A	35%	36%	
Participation Library visits per head of population <i>[number of library visits per head of population]</i>					New measure for 2023/24. The expected range is 2 to 6 library visits, and the result was within range.
	N/A	N/A	2.91	3.82	
Service cost Cost of library service per population <i>[Direct cost of the library service / Municipal population]</i>					Capital expenses for 2024/25 were higher than previous year.
	\$39	\$41	\$43	\$46	

Local Government Service Performance Indicators

Service	Results 2022	Results 2023	Results 2024	Results 2025	Material Variation
MATERNAL AND CHILD HEALTH					
Service standard Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x 100	98%	100%	100%	100%	Council continues to achieve 100 per cent or above for infant enrolments in the Maternal Child Health service. Highlighting a highly effective engagement with our children and families within the Shire.
Service cost Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	\$74	\$80	\$75	\$84	This result remains within the expected range. The slight increase compared to the 2023/24 financial year is due to unexpected staff shortages. Council is committed to providing high-quality Maternal and Child Health services.
Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100	72%	73%	71%	72%	This result remains within the expected range. There was a slight increase compared to the 2023/24 financial year but the result is still above Council's annual budget target of 70 per cent.
Participation Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	73%	45%	77%	84%	Council continues to maintain strong engagement with First Nations families with young children. A 6.77 per cent increase in participation is attributed to an ongoing focus on cultural safety, awareness, and inclusive practices. Through its partnership with the Best Start initiative, Council is working to create culturally safe environments that acknowledge and respect Aboriginal and Torres Strait Islander cultures. In addition, Council collaborates with the Aboriginal Network and various support agencies to strengthen referral pathways and further support engagement with First Nations families.
Satisfaction Participation in four-week Key Ages and Stages visit [Number of four-week Key Ages and Stages visits / Number of birth notifications received] x 100	95%	89%	90%	103%	Council recorded an attendance rate of 103 per cent for infants at the 4-week Key Ages and Stages Visit program, compared to 90 per cent in 2023/24. This indicator is above the 2024/25 annual budget target of 95 per cent.

Services Funded

The following statement provides information in relation to the services funded in the 2024/25 Budget that supports the Council Plan Theme '*Healthy and Engaged Communities*' and the persons or sections of the business area responsible.

Business Area	Description of Services Provided	Net Cost
		Actual \$'000
		Budget \$'000
		Result \$'000
Community Health and Safety	The Community Health and Safety department delivers essential, efficient and responsive services that enhance the health, safety and wellbeing of communities, families, children and individuals in South Gippsland.	\$1,866
		\$1,884
		(\$18)



COUNCIL PLAN THEME FOUR: Leading with Integrity

Objective

Over the next four years, we will endeavour to always lead with integrity, care, good governance and accountability. South Gippsland Shire Council will be outward focused and engage regularly and genuinely with our community.

We recognise trust between Council and the community was broken, and that it's our job to earn that trust back, and to do that we first must be trustworthy.

We will not always get everything right but we promise to always look for continuous improvement in the way we do things, to listen to your problems and ideas, to answer your questions and genuinely engage with you around the challenges ahead in these uncertain times.

Council will provide and promote community leadership, investing in our people and the people of South Gippsland. We are a new Council, this is a new relationship, our firm commitment is that we will listen to learn, and act with integrity. We hope you join us.

Priorities

- Understand our community's priorities, ensure their needs are being met, and engage openly and often.
- Place our community at the centre of everything we do and be outward focused.
- Explore alternatives for revenue opportunities and manage our resources sustainably.
- Develop our people to build our organisation's capacity, create efficiencies and deliver quality services to the community.
- Strategically advocate with our partners to the State and Federal Government on issues and opportunities that impact our community.
- Invest in the leadership skills of existing and emerging community leaders, volunteers, community groups and networks.



Measure of Success

The following statement reviews the performance of South Gippsland Shire Council against the Measure of Success Indicators of the 2022-2026 Council Plan identified in the 2024/25 Budget.

Indicator	Target or Desired Trend	Comment	Target
Financial viability of South Gippsland Shire Council regarding the Victorian Auditor General's Office (VAGO) financial sustainability indicators.	Within desirable limits	Completed upon the adoption of the Annual Report which includes VAGO sustainability indicators. The 2023/24 Annual Report was adopted in October 2024.	Achieved
Number of opportunities provided and people reached via community engagement practices.	Increase/quality improvement	Fifteen separate consultations were undertaken during 2024/25 with the most significant being a large-scale engagement to help inform development of six integrated plans, including the 2025-2029 Council Plan. The engagement, which was branded Shaping South Gippsland, included 23 in-person events across 17 townships and resulted in 1,241 Council Plan suggestions. Other key engagements included Radovick Street, Coal Creek Strategic Plan, Kindergarten Enrolment and Leongatha Memorial Hall.	Achieved
Community satisfaction with Council decisions. [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community]	Increase *LGPRF Indicator	Council's score of 45 for community decisions is one point lower than last year. It is comparable to the score for similarly sized large rural councils (46).	Achieved
Community satisfaction with community consultation and engagement. [Community satisfaction rating out of 100 with the consultation and engagement efforts of the Council]	Decrease *LGPRF Indicator	Council's score for consultation and engagement is one point lower than last year, despite significant community consultation in the lead up to the development of the Council Plan.	Not Achieved
Council decisions made at meetings closed to the public. [Percentage of Council resolutions made at Council Meetings closed to the public]	Decrease *LGPRF Indicator	Council continues to limit the decisions made in closed Council meetings and has reduced these decisions from 16 per cent to 12 per cent compared to the previous year.	Achieved
Councillor attendance at Council Meetings. [Percentage of attendance at ordinary and special Council Meetings by Councillors]	80 to 100 per cent *LGPRF Indicator	Councillor attendance was 89 per cent across five Council meetings in the previous term of Council. Councillor attendance at open and additional meetings since elected in November 2024 was 96 per cent of attendance.	Achieved

* LGPRF Indicator: Local Government Performance Reporting Framework by Councils

Major Initiatives

The following comments review the performance of South Gippsland Shire Council against the 2024/25 Annual Initiatives of the 2022-2026 Council Plan identified in the 2024/25 Budget.

Initiative	Comment	Target
Establish and support South Gippsland Shire Council's 2024/25 advocacy priorities	Council's existing priorities remained current for 2024/25 and significant advocacy success was achieved. Key achievements include securing \$3.03 million for bridge replacement and \$2.4 million to realign Simons Lane through the Australian Government's Local Roads and Infrastructure Program. A new childcare and kindergarten facility was also announced for Meeniyan to support growing demand linked to the expanded three-year-old kinder and pre-prep programs.	Achieved
Develop and deliver a range of key strategic plans, in partnership with the community and key stakeholders: • A new 2025-2029 Council Plan to be developed with the new Council • Revenue and Rating Plan for a period of the next four financial years; and • Four-year Budget and ten-year Long-Term Financial Plan.	Council adopted the following strategic plans at the 18 June 2025 Council meeting. • 2025-2029 Council Plan • 2024/26-2034/35 Financial Plan • 2025/26-2028/29 Annual Budget • 2025-2029 Revenue and Rating Plan • 2025-2035 Asset Plan. Council undertook an extensive community engagement process to inform development of these plans.	Achieved
Review the Community Vision to ensure it continues to represent the community's aspirations for the future of the municipality.	Council adopted the review of the <i>Community Vision 2040</i> in accordance with s.88 of the <i>Local Government Act 2020</i> at the 16 April 2025 Council Meeting.	Achieved
Support the effective delivery of the October 2024 Council elections, welcome South Gippsland's new Councillors, and deliver a comprehensive induction and transition program, to support Councillors to form an effective team and set them up for success during their term.	The Council election was held successfully in partnership with the Victorian Electoral Commission. The Councillor Transition Program was completed successfully by all Councillors, following the election in November 2024.	Achieved
Deliver Council's biannual Community Leadership Program to strengthen community expertise and volunteering.	Eight sessions of the South Coast Community Leadership Program have been delivered including topics on strategic leadership, emotional intelligence, project planning and governance. The program equips participants with valuable leadership skills that they can apply within their local communities to drive positive change and participation.	Achieved

Services: Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures, including explanation of material variations.

Local Government Service Performance Indicators					
Service	Results 2022	Results 2023	Results 2024	Results 2025	Material Variation
GOVERNANCE					
Transparency					
Council decisions made at meetings closed to the public <i>[Number of Council resolutions made at ordinary or special meetings of Council, or at meeting of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x 100</i>	20%	21%	17%	12%	Council continues to limit the decisions made in closed Council meetings and has reduced these decisions from 16 per cent to 12 per cent compared to the previous year. Of the 11 closed matters, 64 per cent were related to personal information. Other matters were related to private commercial information or information that would prejudice Council's position in commercial negotiations.
Consultation and Engagement					
Satisfaction with community consultation and engagement <i>[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]</i>	44	50	47	46	Council's score in the Community Satisfaction Survey declined by one point compared to the previous year, despite increased community consultation. Between late January and the end of February 2025, Council conducted an extensive engagement campaign to help shape the <i>2025–2029 Council Plan</i> . This included 23 in-person events across 17 townships, resulting in 946 completed surveys and 1,241 suggestions for the Council Plan. Council conducts quarterly surveys, which may explain why the engagement score does not fully reflect the breadth of recent consultation activities.
Attendance					
Councillor attendance at council meetings <i>[The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election)] x 100</i>	97%	90%	91%	93%	Councillor attendance was 89 per cent across five Council meetings in the previous term of Council. Councillor attendance at open and additional meetings since elected in November 2024 was high, with 96 per cent of attendance.

Local Government Service Performance Indicators					
Service	Results 2022	Results 2023	Results 2024	Results 2025	Material Variation
Service Cost					
Cost of elected representation <i>[Direct cost of governance service / Number of Councillors elected at the last Council general election]</i>	\$70,869	\$59,378	\$55,276	\$66,503	The cost of elected representation is higher this year as Council invested in a significant Councillor Transition and Induction Program to support the newly elected representatives in November 2024. The cost is also higher due to the initial set up and on-costs of Councillor equipment such as mobile phones and the Chief Executive Officer employment recruitment process conducted in 2025.
Satisfaction					
Satisfaction with Council decisions <i>[Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]</i>	48	54	46	45	Council's score of 45 for community decisions is one point lower than last year. It is comparable to the score for similarly sized large rural councils (46).



Services Funded

The following statement provides information in relation to the services funded in the 2024/25 Budget that supports the Council Plan Theme 'Leading with Integrity' and the persons or sections of the business area responsible.

Business Area	Description of Services Provided	Net Cost	
		Actual \$'000	
		Budget \$'000	
		Result \$'000	
Chief Executive Office	The Chief Executive Office builds strong and productive relationships with government and key regional agencies to strengthen the performance of the South Gippsland Shire Council. The Chief Executive Office is accountable for ensuring that the objectives of the Council Plan are achieved through the allocation of appropriate resources, the provision of strategic policy and legal advice to Council, and the establishment of good governance practices to guide the management of the organisation.	\$390	
		\$345	
			\$45
Regional Partnerships	The Regional Partnerships department leads the development and implementation of key Council strategies and policies related to economic development, communications, engagement and advocacy. The department aims to connect and engage with key stakeholders across the community, business and government.	\$1,732	
		\$1,720	
			\$12
Performance and Innovation Management	The Performance and Innovation Directorate provides services including: • People and Culture • Financial Strategy • Digital and Technology • Governance Services • Library Board liaison	\$2,017	
		\$1,935	
			\$82
Financial Strategy	The Financial Strategy department delivers financial planning, budget management, legislative compliance, rates and valuation services and internal support to departments, teams and individuals in relation to finance functions. Risk, Assurance and Procurement is responsible for contract management, risk and insurance, Freedom of Information and information privacy, internal auditing, regulatory compliance and tendering. This team is responsible for the coordination and reporting to the Audit and Risk Committee for the organisation.	\$2,737	
		\$2,404	
			\$333

Note: Freedom of Information service was included in Financial Strategy department in the 2024/25 annual budget. For the purposes of this 2024/25 Annual Report comparison to the annual budget, the service has been included. Structure realignment occurred in November 2024 and the service is realigned to the newly named Governance and Integrity department.

Business Area	Description of Services Provided	Net Cost
		Actual \$'000
		Budget \$'000
		Result \$'000
People and Culture	The People and Culture department strive for a safe, healthy and high performing workplace, in which our people can grow both personally and professionally. It manages recruitment, workplace relations and industrial relations; gender equity and diversity; inclusion; organisational learning and development; occupational health, safety and wellbeing; human resources and performance management; workers compensation and return to work management; and payroll.	\$2,302 \$1,929 \$373
Governance	The Governance department delivers services to the community, Councillors and staff. It provides support for Council Meetings, briefings and hearings, policy compliance, corporate planning, monitoring and reporting including development of the Community Vision, Council Plan and Annual Report. It leads policy review and provides governance reform support, including requirements of the <i>Local Government Act 2020</i>.	\$1,328 \$1,475 (\$147)
Digital Technology	The Digital and Technology department work across all areas of Council to provide cost-effective technology and services. It aims to deliver the best quality services to the community and provide contemporary tools for staff to operate efficiently. The team consists of Information Systems, Information Management, and Innovation.	\$3,614 \$3,727 (\$113)



COUNCIL PLAN THEME FIVE:

Protecting and Enhancing our Environment

Objective

Agriculture, bushland, residential and tourism can thrive side-by-side. South Gippslanders will leave a legacy of a healthier integrated environment for future generations. South Gippsland Shire Council will proactively work with landholders and land management agencies in preparing for changes in weather patterns, extreme storms, flooding and coastal erosion and the impacts of climate change.

Our aim is to support appropriate regeneration and revegetation initiatives and the development of bio-link corridors, particularly around our waterways, and acknowledge the importance of protecting our agricultural land's biosecurity, whilst expanding biodiversity. We will do this with community partnerships, planning controls and weed and feral pest management education and support for those who farm our lands.

Over the next four years, we will reduce landfill across the Shire via our circular waste strategy. In our own organisation, we are setting a target of reducing our emissions through energy and waste efficiency measures. We will also drive change toward improved consumer behaviour of all in our Shire, through a 'buy less' campaign whilst also encouraging residents to reduce, reuse and recycle.



Priorities

- Lead by example, developing internal practices and policies to reduce our carbon footprint as an organisation and encouraging innovative industries.
- Use our Strategic Planning mechanisms to prioritise protecting and enhancing our natural environment.
- Advocate, plan and encourage the protection of our natural landscapes and coastline.
- Support and encourage sustainable industries such as agroforestry.
- Plan and implement bio-link corridors to increase the percentage of tree cover and habitat in our Shire, and support our community including landowners to partner with us in implementing bio-links.
- Educate and empower our communities to reduce and control weeds and pests.
- Build resilience in our community and organisation to mitigate risk and damage caused by extreme weather events.
- Empower our community through education and information to improve their waste management.
- As part of the Domestic Animal Management Plan, investigate enforceable dogs on leashes and curfews for domestic cats.
- Engage with the relevant State Government agencies regarding the use of jet skis in relation to personal safety, amenity and threats to marine wildlife.

Measure of Success

The following statement reviews the performance of South Gippsland Shire Council against the Measure of Success Indicators of the 2022-2026 Council Plan identified in the 2024/25 Budget.

Indicator	Target or Desired Trend	Comment	Target
The number of planted trees to offset trees removed by Council.	Trees planted	Council offsets vegetation removal where required through the planning permit process. While there is no formal policy mandating one-for-one tree replacement, dangerous or failing trees—such as those diseased or posing a safety risk—are often removed. In 2024/25, Council proactively planted approximately 300 new street trees	Achieved
Number of partnered revegetation activities with Landcare each year.	Minimum of two per annum	Council exceeded the target of two revegetation activities in partnership with Landcare. With the endorsement of a Memorandum of Understanding between Council and Landcare, these collaborative efforts will continue as part of the Shire's annual revegetation planning.	Achieved
Number of Council environmental educational activities held.	Minimum of two per annum	Council exceeded its target of hosting two environmental activities and regularly supports community education events in partnership with Landcare and local schools.	Achieved
Inspections of the Great Southern Rail Trail for general condition and hazard identification.	Quarterly inspections	Council conducted monthly Great Southern Rail Trail inspections throughout 2024/25.	Achieved
Percentage of kerbside collection waste diverted from landfill. [Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill]	Maintain or Increase *LGPRF Indicator	Although the diversion rate decreased, the implementation of other initiatives—such as the Container Deposit Scheme—represents a positive step toward improving glass recycling.	Not Achieved

* LGPRF Indicator: Local Government Performance Reporting Framework by Councils.

Major Initiatives

The following comments review the performance of South Gippsland Shire Council against the 2024/25 Annual Initiatives of the *2022-2026 Council Plan* identified in the *2024/25 Budget*.

Initiative	Comment	Target
To establish and implement a <i>Memorandum of Understanding</i> with South Gippsland LandCare. This strategic investment will help to build our land management partnership, provide additional benefit to the local community and assist with weed control and biodiversity initiatives.	The <i>Memorandum of Understanding</i> with Landcare was endorsed by Council at the 21 May 2025 Council meeting.	Achieved



Services: Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures, including explanation of material variations.

Local Government Service Performance Indicators					
Service	Results 2022	Results 2023	Results 2024	Results 2025	Material Variation
WASTE COLLECTION					There have been fewer missed kerbside collection bins this year due to improved contractor performance.
Service standard					
Service standard Kerbside collection bins missed					
<i>[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000</i>	4	4	4	3	
Service cost					The cost per property for delivering kerbside garbage collection services has increased due to higher waste disposal costs and the service being tendered with new rates applying.
Cost of kerbside garbage bin collection service					
<i>[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]</i>	\$161	\$165	\$173	\$174	
Service cost					Recycling costs have reduced this year after the commencement of a new service contract.
Cost of kerbside recycling bin collection service					
<i>[Direct cost of the kerbside recycling bin collection service / Number of kerbside recycling collection bins]</i>	\$75	\$80	\$85	\$73	
Waste diversion					Waste diversion from kerbside collection services was slightly lower than in previous years, largely due to the introduction of the Container Deposit Scheme reducing recycling, and dry weather conditions. This has led to lower green waste tonnages.
Kerbside collection waste diverted from landfill					
<i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100</i>	52%	54%	53%	50%	

Services Funded

The following statement provides information in relation to the services funded in the 2024/25 Budget that supports the Council Plan Theme '*Protecting and Enhancing our Environment*' and the persons or sections of the business area responsible.

Business Area	Description of Services Provided	Net Cost	
		Actual \$'000	
		Budget \$'000	
			Result \$'000
Sustainable Infrastructure Management	The Sustainable Infrastructure Management provides services including: - Infrastructure Planning - Infrastructure Delivery - Infrastructure Maintenance - Open Space and Environment.		\$418
			\$324
			\$94
Open Space and Environment	The Open Space and Environment department manages recreational and public areas in the form of open space, natural and foreshore bush reserves, and parks and gardens. It includes grass mowing, garden maintenance and planting, urban/ rural tree maintenance, public amenities and BBQ cleaning, playground replacement, landscape structure maintenance, rural roadside vegetation maintenance, urban fire hazard slashing, Great Southern Rail Trail maintenance, and control of roadside weeds to improve biodiversity outcomes.		\$6,639
			\$6,033
			\$606



McIndoe Park, Leongatha

COUNCIL PLAN THEME SIX: Sustainable Growth

Objective

Regional Australia is going through unprecedented growth and demographic change and Council plays an important role in advocacy across all levels of government to attract funding and implement planning controls that ensure South Gippsland's growth is socially, environmentally and economically sustainable.

The unique environment values and cultural heritage of our 28 towns, villages and hamlets are a draw card to the region. We will protect the visual character of our landscapes and streetscapes via community plans, land-use reviews, environmental assessments and township design frameworks.

Council will plan for sustainable growth with an appropriate mix of residential properties, farming and lifestyle, industrial and commercial properties, encouraging affordable housing projects, options for aged and health care, and suitable investment in services, transport, childcare and open space.

We value local knowledge, history and experience, and are committed to including the community in conversations around important change decisions and processes. We will consider the environmental and cultural impacts of growth and land use change in our actions and decision making.



Priorities

- Manage urban growth within defined town boundaries to deliver fit-for-purpose infrastructure in partnership with other agencies that share this responsibility.
- Protect the character of our communities, including our built, natural and cultural heritage.
- Celebrate our communities and foster a sense of pride in the unique characters of our townships.
- Support new developments that include diverse block sizes and make a positive long-term contribution to the community and increased affordable housing opportunities.
- Support our coastal communities to respond to existing and emerging risks to their liveability and environmental health.
- Align land use planning and economic development planning to facilitate appropriate business investment.
- Investigate opportunities to better manage the impacts of unregistered Short Stay Accommodation.



Measure of Success

The following statement reviews the performance of South Gippsland Shire Council against the Measure of Success Indicators of the 2022-2026 Council Plan identified in the 2024/25 Budget.

Indicator	Target or Desired Trend	Comment	Target
Planning applications decided within required time frame. <i>[Percentage of planning application decisions made within 10 days and regular planning application decisions made within 60 days]</i>	Increase *LGPRF Indicator	Council improved the percentage of planning applications decided within the required timeframes from 32 per cent to 53 per cent. This increase reflects enhanced internal efficiencies and a strengthened commitment to timely service delivery.	Achieved
Council planning decisions upheld at VCAT. <i>[Percentage of planning application decisions subject to review by VCAT that were not set aside]</i>	Increase *LGPRF Indicator	Four of the four Planning Permits that were appealed to VCAT had decisions that were upheld (supported).	Achieved
Time taken to decide planning applications. <i>[Median number of days between receipt of a planning application and a decision on the application]</i>	Decrease *LGPRF Indicator	For the 2024/25 financial year, the median statutory decision time for planning applications was 91 days. This marks improvement from the previous year's median of 139 days. Council has allocated additional resources to address the backlog of legacy applications, resulting in a substantial reduction in the average time taken to determine planning applications.	Achieved

* All the above are Local Government Performance Reporting Framework indicators by Councils



Coastal Councils

Major Initiatives

The following comments review the performance of South Gippsland Shire Council against the 2024/25 Annual Initiatives of the *2022-2026 Council Plan* identified in the *2024/25 Budget*.

Initiative	Comment	Target
Complete development of a Strategic Plan for Coal Creek Community Park and Museum and commence implementation of actions.	The <i>Coal Creek Community Park and Museum Strategic Plan</i> was endorsed at the 21 August 2024 Council meeting.	Achieved
Implement actions from the Social and Affordable Housing Strategy.	Amendment C129 introduced a Local Policy into the planning scheme to strengthen support for affordable housing in South Gippsland, with specific reference to the adopted <i>South Gippsland Social and Affordable Housing Strategy 2022</i> .	Achieved
Continue to progress the implementation of action items identified in Council's <i>Coastal Strategy</i> (including the identification of available grant funding streams) to supplement the existing strategic work being undertaken to assess and map coastal hazards and explore new fit for purpose planning controls in our coastal communities.	Council has commenced the preparation of updated coastal planning controls, which is a key step in delivering Council's adopted <i>Coastal Strategy</i>. The planning controls include tailored planning provisions to manage development risk in coastal areas. At the June 2025 Council meeting, Council endorsed a recommendation to initiate a planning scheme amendment to update flood controls in coastal settlements which further supports the strategy's objectives and strengthens Council's risk-based approach to coastal and climate resilience. Ongoing engagement with Victorian departments will support effective implementation.	Achieved
Increase awareness and advocacy for heritage preservation.	Council has secured budget and external funding to prepare heritage precinct plans in the 2025/26 financial year. The project represents a proactive step toward strengthening heritage protection and guiding appropriate development within identified precincts.	Achieved
Continue work to plan for growth and development in the Nyora township.	Draft options to support the development of more intensive urban development in the study area of Nyora has presented challenges, particularly in identifying the level and cost of public infrastructure required to support increased density. The next stage will include traffic studies and further investigation into balancing development goals with financial and delivery feasibility.	Achieved

Services: Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures, including explanation of material variations.

Local Government Service Performance Indicators					
Service	Results 2022	Results 2023	Results 2024	Results 2025	Material Variation
STATUTORY PLANNING					
Timeliness					
Time taken to decide planning applications <i>[The median number of days between receipt of a planning application and a decision on the application]</i>	99	174	139	91	As a result of allocating additional resources to address the backlog of legacy applications, coupled with a renewed focus on meeting statutory timelines, Council has achieved a significant reduction in the average time taken to determine planning applications. This improvement reflects enhanced internal efficiencies and a stronger commitment to service delivery.
Service standard					
Planning applications decided within required time-frames <i>[(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x 100</i>	40%	25%	32%	53%	Council has achieved a significant improvement in the number of applications determined within required timeframes. Allocating additional resources reflects the improvement of internal efficiencies and a stronger commitment to service delivery.
Service cost					
Cost of statutory planning service <i>[Direct cost of the statutory planning service / Number of planning applications received]</i>	\$1,442	\$1,944	\$3,612	\$3,280	The cost of the delivery of statutory services has decreased by nine per cent compared to the previous year, which is attributed to the allocation of additional resources to reduce planning application backlogs.
Decision making					
Council planning decisions upheld at VCAT <i>[Number of VCAT decisions that did not set aside South Gippsland Shire Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x 100</i>	75%	60%	60%	100%	Four of the four Planning Permits that were appealed to Victorian Civil Administrative Tribunal (VCAT) had decisions that were upheld (supported).

Services Funded

The following statement provides information in relation to the services funded in the *2024/25 Budget* that supports the Council Plan Theme '*Sustainable Growth*' and the persons or sections of the business area responsible.

Business Area	Description of Services Provided	Net Cost
		Actual \$'000
		Budget \$'000
		Result \$'000
Planning and Building	Planning Services The Planning Services team undertakes strategic planning to prepare long-term land use planning policies and planning schemes, aligned to Victorian Government requirements, to address a range of environmental, economic and social matters. It supports community members to ensure their development needs align with these policies and planning schemes through their planning permits. This team also includes Strategic Planning which produces land use and development policy for South Gippsland Shire Council and processes amendment and other applications under the <i>Planning and Environment Act 1987</i> and the <i>Subdivision Act 1988</i> mainly to rezone land. It also undertakes Town Structure Planning, Open Space Planning, Rural Planning and a wide range of issues related to rural and regional planning. Building Services The Building and Planning Compliance team serves the community by promoting compliance with various Acts and Regulations which exist to ensure that the community are safe when occupying buildings and that the general public are adherent to applicable legislative requirements with respect to land use objectives. South Gippsland Shire Council is bound by section 212 of the <i>Building Act 1993</i> and the <i>Planning and Environment Act 1987</i>.	\$1,271 \$1,513 (\$242)

OUR GOVERNANCE

- GOVERNANCE INFORMATION
- STATUTORY INFORMATION
- GOVERNANCE AND MANAGEMENT CHECKLIST



Governance Information

Legislation

South Gippsland Shire Council is constituted under the *Local Government Act 2020 (Act)*. The Act outlines that all Victorian councils have the functions and the powers the Parliament considers are necessary to ensure the peace, order and good government of Council's municipal district.

Participation with Council

South Gippsland Shire Council welcomes community attendance and participation at Council and Council meetings and provide their input into Council's decision-making processes in a variety of different ways.

Community members are encouraged to register an *Expression of Interest* if they are interested in meeting with Council on matters of community interest.

Depending on the request, appropriate arrangements are put in place for the community member to meet with the Mayor and Councillors, the Chief Executive Officer and/or with Council officers who can assist them. Where practicable, these can be incorporated into Council's *Community Days*. Details on how to submit an Expression of Interest are available on Council's website.

Council holds *Community Days* on the fourth Wednesday of each month. These days create opportunities for members of the community or community groups to meet with Councillors and show them projects in their local areas and talk about matters they wish to share with Councillors.

There are also opportunities to speak directly with Councillors, provide feedback on Council strategies and plans, and through other opportunities or by reaching out directly to Councillors.

Council Meetings

South Gippsland Shire Council's formal decision-making processes are conducted through monthly scheduled and occasional additional Council meetings. Council Meetings are generally held on the third Wednesday of each month and are open to the public. These meetings are live-streamed from Council's website.

Council meetings, Special Committees and the election of the Mayor and Deputy Mayor are governed by the adopted Governance Rules (C82). South Gippsland Shire Council delegates its administrative decision-making to the Chief Executive Officer, and under some specific pieces of legislation, directly to staff. Council also delegates decision-making for specific facilities/reserves to the community through Community Asset Committees. The Chief Executive Officer has the authority to sub-delegate decision making to staff. These delegations are regularly reviewed and are exercised in accordance with adopted Council policies and relevant legislation.

Meetings are held in an open manner, only closing parts of some meetings to consider confidential matters or other exceptions as designated under section 66 and section 3(1) of the *Local Government Act 2020*.

Councillor group with the integrated planning suite



Attendance at Meetings

Councillor	Council Meetings Attended	Councillor	Council Meetings Attended
Current Council Term Councillors		Previous Council Term Councillors	
Councillor Bron Beach	10 of 10 meetings	Councillor Adrian Darakai	5 of 5 meetings
Councillor Steve Finlay	9 of 10 meetings	Councillor Mohya Davies	5 of 5 meetings
Councillor Sarah Gilligan <i>Deputy Mayor from November 2024.</i>	10 of 10 meetings	Councillor Mick Felton	3 of 5 meetings
Councillor Nathan Hersey.	10 of 10 meetings	Councillor Sarah Gilligan	4 of 5 meetings
Councillor John Kennedy	9 of 10 meetings	Councillor Nathan Hersey	4 of 5 meetings
Councillor Brad Snell	10 of 10 meetings	Councillor Jenni Keerie	5 of 5 meetings
Councillor Scott Rae	10 of 10 meetings	Councillor Scott Rae	5 of 5 meetings
Councillor John Schelling <i>Mayor from November 2024.</i>	9 of 10 meetings	Councillor John Schelling	5 of 5 meetings
Councillor Clare Williams	9 of 10 meetings	Councillor Clare Williams <i>Mayor until November 2024</i>	4 of 5 meetings

Delegated Committees

No delegated committees were held in the period 2024 to 2025 as there were no delegated committees created under section 63 of the *Local Government Act 2020*.



One Gippsland delegation campaigning for Gippsland's advocacy priorities

Community Asset Committees

South Gippsland Shire Council's Community Asset Committees are formed under section 65 of the *Local Government Act 2020* to manage a range of community facilities and assets on the community's behalf, and make an important and valued contribution to community life in South Gippsland. These committees have limited delegations, including minor financial delegations for site-specific facilities and areas of responsibility.

The following table contains a list of all Community Asset Committees established by Council that are in operation and the purpose for which each was established.

Community Asset Committees	Purpose of the Committee
Sandy Point Community Centre and TP Taylor Reserve Community Asset Committee	To manage the Sandy Point Community Centre and TP Taylor Reserve.
Dumbalk Hall Community Asset Committee	To manage the Dumbalk Hall.
Foster Stockyard Gallery Community Asset Committee	To manage the Foster Stockyard Gallery.
Mirboo North Hall Community Asset Committee	To manage the Mirboo North Hall.
Meeniyah Sports Stadium Community Asset Committee	To manage the Meeniyah Sports Stadium.
Allambee South Community Hall Community Asset Committee	To manage the Allambee South Community Hall.
John Terrill Memorial Park and Fish Creek Recreation Reserve Community Asset Committee	To manage the John Terrill Memorial Park and Fish Creek Recreation Reserve.
Foster War Memorial Arts Centre and Senior Citizens Centre	To manage the Foster War Memorial Arts Centre and Senior Citizens Centre.
Korumburra Recreation Reserve Community Asset Committee	To manage the Korumburra Recreation Reserve.
Foster Showgrounds Community Asset Committee	To manage the Foster Showgrounds.
Walter J. Tuck Reserve Community Asset Committee	To manage the Walter J. Tuck Reserve.
Port Welshpool and District Maritime Museum Community Asset Committee	To manage the Port Welshpool and District Maritime Museum Community Asset Committee.

Councillor Code of Conduct

From 26 October 2024, the *Local Government Act 2020* requires all Councillors to observe the Model Councillor Code of Conduct as prescribed in Schedule 1 to the *Local Government (Governance and Integrity) Regulations 2020*.

The Model Code of Conduct replaced the previous statutory requirements for Councils to develop their own Councillor Code of Conduct and the previous Standards of Conduct.

The Model Code of Conduct sets out individual standards of conduct expected to be observed by a Councillor when performing their role. The purpose of the Model Code of Conduct is to set clear standards that will improve on Councillor conduct and behaviour across Victorian councils.

To further support Councillors to resolve any alleged breaches of the Model Code, a requirement was added to the *Local Government Act 2020* and the *Local Government (Governance and Integrity) Regulations 2020* to adopt an Internal Resolution Procedure.

Council's Internal Resolution Procedure was adopted at the 21 May 2025 Council meeting to meet the legislative time frame of 1 July 2025. This Internal Resolution Procedure is made available on Council's website and aims to support Councillors in their role.

Conflicts of Interest

Councillors are elected by residents and ratepayers to act in the best interests of the community. Being a Councillor requires personal interests to be set aside so decisions can be made impartially. When Council delegates its powers to a Council officer or Committee of Council, the committee and officer also needs to act in the public interest.

A conflict of interest occurs when a personal or private interest might compromise the ability of the Mayor and Councillors as the Council, Committees of Council or officers to act in the public interest.

A conflict of interest exists even if no improper act results from it. Declaration of a conflict of interest is a standard agenda item for all Council, committee and briefing meetings.

Council has comprehensive procedures in place to accommodate the disclosure of a conflict of interest. In general, the declaration is made in a particular way, captured in writing and then the individual steps aside from the relevant decision-making process, or exercise of the public duty. A register is maintained to record all disclosed conflicts of interest for Councillors.

During 2024/25, there were 14 conflict of interest declarations by Councillors at Council meetings.



Walter J Tuck Recreation Reserve – Mirboo North

Councillor Remuneration and Expenses

In accordance with section 39 of the *Local Government Act 2020*, Councillors are entitled to receive an allowance while performing their duties. Throughout this financial year, South Gippsland Shire Council has covered the mandatory remuneration and reimbursement expenses for Mayor, Deputy Mayor and Councillor allowances and reimbursements of expenses.

The Victorian Independent Remuneration Tribunal (VIRT) makes determinations on a regular basis to set the allowances to be paid to the Mayor, Deputy Mayor and Councillors. This can be found on the VIRT website. The **Councillor Support and Expenditure Policy**, was reviewed and adopted by Council at the 21 August 2024 Council meeting. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Councillors to enable them to conduct their duties. This policy is available on Council's website. The following table contains a summary of Councillor expenses for 2024/25 with each category explained on the next page:

Councillor Allowances	Allowance inc. Superannuation	Travel and Vehicle Expenses	Conference, Training and Development	Other	Total
Councillors of current Term					
Councillor Bron Beach	\$22,686	\$94	\$64	\$1,619	\$24,463
Councillor Steve Finlay	\$22,781	\$518	-	\$1,535	\$24,834
Councillor Sarah Gilligan <i>Deputy Mayor from November 2024</i>	\$44,718	\$3,211	\$15,463	\$1,666	\$65,058
Councillor Nathan Hersey <i>Deputy Mayor until November 2024</i>	\$36,009	\$6,824	\$3,950	\$1,668	\$48,450
Councillor John Kennedy	\$22,686	-	-	\$1,548	\$24,234
Councillor Brad Snell	\$22,686	\$3,680	\$308	\$1,423	\$28,096
Councillor Scott Rae	\$30,877	\$2,484	\$869	\$1,434	\$35,663
Councillor John Schelling <i>Mayor from November 2024</i>	\$79,362	\$1,044	\$3,370	\$408	\$84,184
Councillor Clare Williams <i>Mayor until November 2024</i>	\$48,951	\$1,548	\$1,750	\$1,659	\$53,909

Councillor Allowances	Allowance inc. Superannuation	Travel and Vehicle Expenses	Conference, Training and Development	Other	Total
Councillors of previous Council Term (up until October 2024)					
Councillor Adrian Darakai	\$8,191	-	-	\$118	\$8,309
Councillor Mohya Davies	\$8,191	\$3,421	-	\$118	\$11,731
Councillor Michael Felton	\$8,191	-	-	\$118	\$8,309
Councillor Jennifer Keerie	\$7,922	-	-	\$218	\$8,140

* Please note that some allowances include remote travel which not all Councillors are eligible for.

Expense Categories

- **Allowances including Superannuation.**
 - To support their service to South Gippsland Shire Council, the Mayor, Deputy Mayor and Councillors each receive an allowance, including the required superannuation contribution.
- **Travel/Childcare Reimbursements and Vehicle Expenses.**
 - Council's *Councillor Support and Expenditure Policy* (C51) adopted on 21 August 2024, provides for the reimbursement of travel costs, depreciation, insurance and/or use of private vehicles and childcare while conducting Council business. Councillors use of private vehicles is at the prescribed Australian Tax Office rate of reimbursement. Reimbursements also include parking fees and public transport costs. One Councillor has the use of a Council-supplied vehicle.
- **Conference, Training and Development.**
 - This category covers costs associated with the Mayor and Councillors attendance at professional development courses and conferences. Advocacy costs are also covered in this category and refer to costs associated with Councillors attending meetings on behalf of Council. These costs include airfares, parking, accommodation, meals (where applicable) and subscription fees.
- **Other Expenses.**
 - Council provides access to materials, printing, stationery, subscriptions, memberships, uniforms, mobile telephone and other resources to assist Councillors to fulfil their roles. These costs include various usage of these resources throughout the year.



Mirboo North Winterfest

Audit and Risk Management Framework

South Gippsland Shire Council has implemented a number of statutory and better-practice items to strengthen its management framework. Having a strong governance and management framework supports better decision-making by Council.

The *Local Government Act 2020* requires Council to undertake an assessment of its governance against the prescribed Governance and Management Checklist and include this in its Report of Operations in the Annual Report. The following items have been highlighted as important components of the management framework.

Audit and Risk Committee

The Audit and Risk Committee is an independent Advisory Committee of Council, which was established to oversee and monitor Council's effectiveness in carrying out its responsibilities for accountable financial management, corporate governance, maintaining an effective system of internal control and risk management, and fostering an ethical environment.

Section 54 of the *Local Government Act 2020* requires Council to prepare and approve an Audit and Risk Committee Charter, which was last adopted by Council at its 15 February 2023 Meeting.

Committee Membership

The Audit and Risk Committee Charter requires the Committee to have three independent members who may serve a maximum of two consecutive terms of three years, subject to satisfactory performance. Two independent members (Mr Mick Jaensch and Ms Marilyn Kearney) were appointed in February 2023 and are in their first three-year term in the Committee. Jennifer Johanson was appointed to her second three year term on 22 November 2024.

The Audit and Risk Committee Charter requires the Committee to have two Councillor members. The current Councillor members are Councillor Sarah Gilligan and Councillor Steve Finlay, whose terms commenced in October 2024.

Independent member Jennifer Johanson was re-appointed as the Committee Chair on 16 February 2025.

Attendees	2024/25 Meetings Attended
Independent Members	
Ms Jennifer Johanson	5 of 5 meetings
Mr Mick Jaensch	5 of 5 meetings
Ms Marilyn Kearney	5 of 5 meetings
Council Members	
Councillor Sarah Gilligan	5 of 5 meetings
Councillor Steve Finlay	3 of 3 meetings
Councillor Jennifer Keerie	1 of 2 meetings
Ex-Officio Members	
Councillor Clare Williams (Mayor)	1 of 2 meetings
Councillor John Schelling (Mayor)	3 of 3 meetings
Auditors	
Victorian Auditor General Office representative	4 of 4 meetings
Crowe (Internal Audit Provider)	5 of 5 meetings

Internal Audit

South Gippsland Shire Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. This function is outsourced to Crowe, an independent accounting and advisory firm, who were appointed on 18 May 2022 following a public tender, for an initial term of four years, which concludes on 1 July 2026 (option of a one year extension).

A risk-based Internal Audit Program is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers:

- Council's Risk Management Framework;
- Council Plan;
- The impact of any change on operations, systems or the business environment;
- Prior audit outcomes; and
- Management input.

The Internal Audit Program is reviewed and approved by the Audit and Risk Committee annually.

The internal auditor attends each Audit and Risk Committee meeting to report on the status of the Internal Audit Program, which consists of an update on the implementation of audit recommendations and presenting findings of completed reviews. The responsible director for each area reviewed attends the Audit and Risk Committee meeting to respond to questions in relation to the review. All audit issues identified are risk rated. Recommendations are assigned to the responsible manager and tracked in Council's *Internal Audit Action Plan*.

The Internal Audit Program for 2024/25 was completed with the following reviews conducted:

- Road Management Plan;
- Risk Management;
- Fraud Management;
- Procurement Review.

External Audit

South Gippsland Shire Council is externally audited by the Victorian Auditor-General's Office (VAGO). For the 2024/25 financial year, the annual external audit of Council's Financial Statement and Performance Statement was conducted by VAGO. External auditors from VAGO attended all Audit and Risk Committee Meetings to present the audit plan and Independent Audit Report. The external audit management letter and responses are also provided to the Audit and Risk Committee.

Risk Management

Council remains committed to proactive risk management to support informed decision making and the delivery of quality services to our community. Our *Risk Management Policy* and *Risk Management Framework* sets out our commitment to managing risks which eliminates or minimises significant or unacceptable negative impacts on the environment, our community and the organisation.

Over the past year we have continued to embed and strengthen our Risk Management Framework ensuring alignment with best practice and legislative requirements. Identification and management of risk is undertaken in a systemic way, implementing principles set out in the *Australian Standards for Risk Management AS/NZS ISO 3100:2018*.

Statutory Information

The following information is provided in accordance with legislative and other requirements applying to South Gippsland Shire Council.

Documents Available for Public Inspection

In accordance with section 57 and 58 of the *Local Government Act 2020*, documents and information available to the public will be managed as set out in South Gippsland Shire Council's Public Transparency Policy.

A list of documents available for inspection under the various Acts Council is subject to, can be found in Council's Part II Statement in accordance with section 7 of the *Freedom of Information Act 1982*, which is available on Council's website.

Procurement

South Gippsland Shire Council adopted a *Procurement Policy* on 20 July 2022 to comply with sections 108 and 109 of the *Local Government Act 2020*. The policy sets out the processes and procedures that apply to the purchase of goods and services, while ensuring our commitment to guiding principles apply to each procurement.

A revision of the *Procurement Policy* was scheduled to be presented at the 16 July 2025 Council meeting for endorsement. This is to comply with Section 108(5) which outlines that a Council must review its procurement policy at least once during each four-year term of Council.

In the 2024/25 financial year, 29 tenders were advertised which comprised of 18 public tenders, two Requests for Information and nine Request for Closed Tender.

Contracts

In accordance with South Gippsland Shire Council's *Procurement Policy* adopted on the 20 July 2021 as required by section 108 of the *Local Government Act 2020*, Council followed the policy for Request for Tenders, Request for Quotes and Expression of Interests.

Unless an exclusion applied under the *Procurement Policy*, the formal competitive procurement processes were followed for any contracts over the amount of \$250,000 (ex GST) – Council's public tender threshold under the procurement policy – and the closed tender competitive process was followed for contracts under \$249,999 (ex GST) and above \$50,000 (ex GST). In the 2024/25 financial year 25 tenders, from both public and closed tender thresholds, proceeded to awarded contracts with a further two pending contracts at the end of the financial year.

Contracts awarded by Council can be found on Council's website.



Shaping South Gippsland

Disability Action Plan

In accordance with section 38 of the *Disability Act 2006*, South Gippsland Shire Council is required to prepare a Disability Action Plan, and must report on its implementation in the Annual Report.

The *Disability Action Plan 2018-2021* was adopted at the 30 May 2018 Council Meeting. The Disability Action Plan outlines Council's approach to building a more inclusive community and to meet both Council's obligations and community aspirations in doing so.

As part of Council's ongoing commitment to fostering inclusivity, at the time of writing this Annual Report, the plan was proposed to be renamed from the Disability Action Plan to the Access and Inclusion Action Plan to better reflect its broader focus.

A structure to support an Access and Inclusion Advisory Committee was developed in 2023/24, with Terms of Reference established. In 2024/25, a program of training and support was rolled out, to provide partner organisations' and community members with lived experience of barriers to access and inclusion, the confidence to participate in the Access and Inclusion Advisory Committee and provide advice to the development of an Access and Inclusion Action Plan.

The *Municipal Public Health and Wellbeing Plan 2025-2029* which was endorsed at the 18 June 2025 Council meeting, includes actions which support access and inclusion. An Action Plan to support the implementation of the *Municipal Public Health and Wellbeing Plan 2025-2029* will also be developed in partnership with stakeholders, including the Access and Inclusion Advisory Committee. Development of the proposed Access and Inclusion Plan will continue into 2025/26.

Domestic Animal Management Plan

In accordance with section 68A of the *Domestic Animals Act 1994*, South Gippsland Shire Council is required to prepare a Domestic Animal Management Plan at four-yearly intervals and evaluate its implementation in the Annual Report.

The *Domestic Animal Management Plan 2022-2025* was adopted at the 16 November 2022 Council Meeting and outlines the services, programs and policies established to address the administration of the *Domestic Animals Act 1994* and the management of dog and cat issues in the community.

Actions that have been completed or that are conducted on an ongoing basis are outlined below:

- 'Lifetime tags' for animal identification.
- Lost/found dogs and cats advertised on Council's social media platforms.
- Animal registration database used to identify unregistered Domestic Animal Businesses.
- Menacing, dangerous and restricted breed dog legislation actively enforced.
- Training register maintained for individual officers.
- Officers attend at least one training/networking session per year.
- Officers provided with access to the Bureau of Animal Welfare extranet site.
- Implementation of South Gippsland Shire Pets Facebook page.
- Animal registration renewal door-knocking program completed.
- Domestic Animal Businesses audited.
- Dangerous dog housing inspections completed.
- Online new animal registrations through e-pathway.
- Direct adoptions via Council's animal shelter through Pet Rescue and own social media advertising successful.
- Serious dog attack prosecutions with successful outcomes for Council and community.
- Cat trapping program successful with 74 feral cats removed from the environment (27 from one property).

Food Act Ministerial Directions

In accordance with section 7E(6) of the *Food Act 1984*, if a Council, or the Chief Executive Officer of a Council, is given a direction under subsection (1), a copy of the direction must be published in the Annual Report required to be published by the Council under section 98 of the *Local Government Act 2020*.

No such ministerial directions were received by South Gippsland Shire Council during this financial year.

Road Act Ministerial Directions

In accordance with section 22 of the *Road Management Act 2004*, South Gippsland Shire Council must publish a copy or summary of any ministerial direction in its Annual Report.

No such ministerial directions were received by Council during this financial year.

Freedom of Information

The *Freedom of Information Act 1982* provides the community with the right to request access to information held by South Gippsland Shire Council. Access to certain types of documents may be limited by exemptions outlined in the Freedom of Information Act.

Documents can be requested as detailed in section 17 of the *Freedom of Information Act 1982*. To be valid, an application must:

- Be in writing;
- Provide as much information about the documents being sought as practicable, so an officer of Council can identify the documents being requested; and
- Be accompanied by an application fee.

Requests for documents in the possession of Council should be addressed to the Freedom of Information Officer. Requests can also be lodged online or by email.

Council processed a total of 33 Freedom of Information applications in 2024/25. Six were carried over from the previous year, and one was carried into the next financial year 2025/26.

Infrastructure and Development Contributions

In accordance with section 46GM and 46QD of the *Planning and Environment Act 1987*, a Council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. The report must be published in a Council's Annual Report.

There were no developer contributions in 2024/25.

National Competition Policy

South Gippsland Shire Council adheres to a *National Competition Policy*. To the best of its knowledge Council has not undertaken any anti-competitive behaviour and has complied with the requirements of the policy during 2024/25.

Public Interest Disclosure

A Council must include in their Annual Report information about how to access procedures established by the Council under Part 9 of the *Public Interest Disclosures Act 2012*.

It provides a way for people to make a disclosure of improper conduct and detrimental action by Councillors and Council officers. It is required by Council to provide certain information about the number and types of protected disclosure complaints investigated during the financial year.

South Gippsland Shire Council takes seriously its responsibilities to those persons who may make a disclosure about improper conduct. Council has established guidelines to ensure the confidentiality of the identity of the person making the disclosure, and their welfare is protected, and has established a system for matters of improper conduct to be investigated.

As per section 70(1)(b) of *Public Interest Disclosures Act 2012*, during the 2024/25 financial year Council's officers appointed to receive disclosures to which the Public Interest Disclosure Guidelines apply, have referred one disclosure to the Independent Broad-based Anti-Corruption Commission for assessment.



Grand Ridge Rail Trail

Governance and Management Checklist

The following are the results in the prescribed form of South Gippsland Shire Council's assessment against the prescribed Governance and Management Checklist. Unless otherwise stated 'the Act' refers to the *Local Government Act 2020*.

Item No.	Governance and Management Items	Assessment
1	Community Engagement Policy Policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest.	Adopted in accordance with section 55 of the Act. <i>Communication and Engagement Policy.</i> Date of Adoption: 24 February 2021
2	Community Engagement Guidelines Guidelines to assist staff to determine when and how to engage with the community.	<i>Community Engagement Strategy 2020-2024.</i> Date of Adoption: 19 May 2021
3	Financial Plan Plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years.	Adopted in accordance with section 91 of the Act. <i>Long Term Financial Plan (10 Year Plan)</i> Date of Adoption: 18 June 2025
4	Asset Plan Plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years.	Adopted in accordance with section 92 of the Act. <i>Asset Plan 2025-2035.</i> Date of Adoption: 18 June 2025
5	Revenue and Rating Plan Plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges.	Adopted in accordance with section 93 of the Act. <i>Revenue and Rating Plan 2025-2029.</i> Date of Adoption: 18 June 2025
6	Annual Budget Plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required.	Adopted in accordance with section 94 of the Act. <i>Annual Budget 2025/26</i> Date of Adoption: 18 June 2025
7	Risk Policy Policy outlining Council's commitment and approach to minimising the risks to Council's operations.	<i>Risk Management Policy.</i> Date of Adoption: 24 February 2021
8	Fraud Policy Policy outlining Council's commitment and approach to minimising the risk of fraud.	<i>Fraud and Corrupt Conduct Policy.</i> Date of Adoption: 19 May 2021
9	Municipal Emergency Management Planning Council's participation in meetings of the Municipal Emergency Management Planning Committee (MEMPC).	Municipal Emergency Management Planning meetings attended by one or more representatives of Council (other than the chairperson) during the financial year. Date of MEMPC meetings attended: • 27 August 2024 • 17 December 2024 • 25 February 2025 • 27 May 2025

Item No.	Governance and Management Items	Assessment
10	Procurement Policy Policy under section 108 of the Act outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council.	Procurement Policy prepared and adopted in accordance with sections 108 and 109 of the Act. Date of Adoption: 20 July 2022.
11	Business Continuity Plan Plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster.	The Business Continuity Plans – Part A and Part B including Council's <i>Business Continuity Management Policy</i> were endorsed by the Audit and Risk Committee. Date of Endorsement: 13 December 2022.
12	Disaster Recovery Plan Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster.	<i>Disaster Recovery Plan</i> Date of Adoption: February 2019. Audit and Risk Committee: 5 December 2023.
13	Complaint Policy Policy under section 107 of the Act outlining Council's commitment and approach to managing complaints.	<i>Complaint Handling Policy</i> developed in accordance with section 107 of the Act. Date of Commencement: 23 December 2021
14	Workforce Plan Plan outlining Council's commitment and approach to planning the current and future workforce requirements of the organisation.	Established in accordance with section 46 of the Act <i>Workforce Management Strategy 2022 - 2026.</i> Date of Commencement: March 2022
15	Payment of Rates and Charges Hardship Policy Policy outlining Council's commitment and approach to assisting ratepayers experiencing financial hardship or difficulty paying their rates.	<i>Rates and Charges Hardship Policy</i> Date of Adoption: 26 February 2020.
16	Risk Management Framework Framework outlining Council's approach to managing risks to Council's operations.	Risk Management Framework Developed in accordance with <i>International Risk Management Standard AS/NZS ISO 31000: 2009</i> Council Adopted: 27 February 2019 Commenced: 27 February 2019 Revision Date: 27 February 2023
17	Audit and Risk Committee Advisory committee of Council under section 53 and section 54 of the Act whose role is to monitor the compliance of Council policies and procedures, monitor Council's financial reporting, monitor and provide oversight on internal and external audit functions.	Audit and Risk Committee established in accordance with section 53 of the Act. Date of Establishment: 26 August 2020. South Gippsland Shire Council's Audit and Risk Committee Charter was adopted by Council on 15 February 2023 in accordance with section 54 of the Act.
18	Internal Audit Independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls.	Internal Auditor engaged. Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. This function is outsourced to Crowe, who were appointed on 18 May 2022 following a public tender, for an initial term of four years, which concludes on 1 July 2026, with the option of a one year extension.

Item No.	Government and Management Items	Assessment
19	Performance Reporting Framework A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act.	Performance Reporting Framework is set out in the <i>Council Plan 2022-2026</i> and the <i>2024/25 Annual Budget</i> . Date of framework: 26 June 2024.
20	Council Plan Reporting Report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year.	<i>Council Plan 2022-2026.</i> Date of Adoption: 29 June 2022. Date of Framework: 26 June 2024. Council Plan and Annual Plan reporting is provided in Council's quarterly <i>Organisational Performance Reports</i> . Date of reports: – 11 December 2024 – 19 March 2025 – 21 May 2025
21	Quarterly Budget Reports Quarterly reports to Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variation.	Reports presented to Council in accordance with section 97 of the Act. Financial reporting is provided in Council's quarterly <i>Organisational Performance Reports</i> . Date reports presented: • 2024/25 first quarter report: adopted 11 December 2024 • 2024/25 second quarter report: adopted 19 March 2025 • 2024/25 third quarter report: adopted 21 May 2025
22	Risk Reports Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies.	Risk Management Reports presented to Audit and Risk Committee: • 20 August 2024 • 3 December 2024 • 11 March 2025 • 7 June 2025
23	Performance Reporting Six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 98 of the Act.	The <i>Council Plan 2022-2026</i> including the 2024/25 Annual Initiatives, Budget and Strategic Objectives are reported in Council's quarterly <i>Organisational Performance Reports</i> as follows: • 2024/25 first quarter report: adopted 11 December 2024 • 2024/25 second quarter report: adopted 19 March 2025 • 2024/25 third quarter report: adopted 21 May 2025
24	Annual Report Annual report under sections 98, 99 and 100 of the Act to the community containing a report of operations and audited financial and performance statements.	Presented at a meeting of the Council in accordance with section 100 of the Act. Date of presentation: 16 October 2024 <i>The Annual Financial and Performance Statements were endorsed at the 2 October 2024 Council Meeting. An unqualified opinion was received from the Victoria Auditor-General's Office and the certificate was included in the 2023/24 Annual Report and endorsed at the 16 October 2024 Council Meeting and published on Council's website.</i>

Item No.	Government and Management Items	Assessment
25	Councillor Code of Conduct Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters.	Reviewed and adopted in accordance with section 139 of the Act. Date of Adoption: 16 February 2022. Updated 19 October 2022 with minor amendments.
	Delegations Documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act.	The delegations were reviewed in accordance with section 11(7) of the Act and a register kept in accordance with section 11(8) and 47(7) of the Act. The delegations were signed by the CEO on: • Council to CEO (S5) - 16 March 2022. • Council to Staff (S6) - 18 June 2025 • Sub-delegation by CEO to Staff (S7) – 10 April 2025 • Sub-delegation by CEO to Staff (S7A) – CEO to staff - Miscellaneous Delegations – 1 February 2024 • Municipal Building Surveyor to Staff (S12) - 5 September 2023 • CEO Powers, Duties and Functions to Staff (S13) - 10 April 2025 • Sub-delegation by CEO Powers, Duties and Functions to Staff (S13A) - 10 June 2020 • CEO to Staff (VICSmart Applications) under the <i>Planning and Environment Act 1987</i> (S14) - 24 December 2024 • CEO to Staff (Bushfire Reconstruction Application under the <i>Planning and Environment Act 1987</i>) (S16) - 24 December 2024 • CEO to Staff under the <i>Child Wellbeing and Safety Act 2005</i> (S20a) – 21 July 2023
26		
27	Meeting procedures Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees.	Adopted in accordance with section 60 of the Act. <i>Governance Rules (C82).</i> Date of Adoption: 19 October 2022.

I certify that this information presents fairly the status of Council's governance and management arrangements.



Allison Jones
Chief Executive Officer
Date:



Cr John Schelling
Mayor
Date:

PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2025



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Certification of the Performance Statement

for the year ended 30 June 2025

In my opinion, the accompanying Performance Statement has been prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.



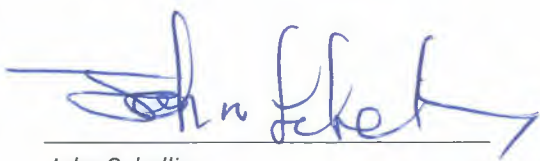
Taryn Macfarlane CPA
Principal Accounting Officer CPA
Date: 17 September 2025

In our opinion, the accompanying Performance Statement of the South Gippsland Shire Council for the year ended 30 June 2025 presents fairly the results of Council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

The Performance Statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

At the date of signing, we are not aware of any circumstances that would render any particulars in the Performance Statement to be misleading or inaccurate.

We have been authorised by the Council and the *Local Government (Planning and Reporting) Regulations 2020* to certify this Performance Statement in its final form.



John Schelling
Mayor
Date: 17 September 2025



Sarah Gilligan
Councillor (Audit and Risk Committee Member)
Date: 17 September 2025



Allison Jones
Chief Executive Officer
Date: 17 September 2025

Independent Auditor's Report

To the Councillors of South Gippsland Shire Council

Opinion	I have audited the accompanying performance statement of South Gippsland Shire Council (the council) which comprises the: • description of municipality for the year ended 30 June 2025 • service performance indicators for the year ended 30 June 2025 • financial performance indicators for the year ended 30 June 2025 • sustainable capacity indicators for the year ended 30 June 2025 • notes to the accounts • certification of the performance statement. In my opinion, the performance statement of South Gippsland Shire Council in respect of the year ended 30 June 2025 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020</i> and Local Government (Planning and Reporting) Regulations 2020.
Basis for Opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
	The Councillors are responsible for the Other Information, which comprises the information in the council's annual report for the period ended 30 June 2025, but does not include the performance statement and my auditor's report thereon. My opinion on the performance statement does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the performance statement, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the performance statement or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.

Councillors' responsibilities for the performance statement	The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 2020</i> and Local Government (Planning and Reporting) Regulations 2020 and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.
Auditor's responsibilities for the audit of the performance statement	As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement. As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control • evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation. I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



MELBOURNE
24 September 2025

Travis Derricott
as delegate for the Auditor-General of Victoria

Section 1. Description of Municipality

South Gippsland Shire Council is located in coastal south eastern Victoria, approximately 100 kilometres south-east of Melbourne. It is comprised of three wards: Tarwin Valley, Strzelecki and Coastal Promontory.

South Gippsland spans 3,308 square kilometres of agriculturally rich land which is used for dairy, beef, sheep and vegetable production. Viticulture, fishing and tourism also contribute significantly to the local economy.

Key attractions include the Port Welshpool Long Jetty, Cape Liptrap Coastal Park, Coal Creek Community Park and Museum, the Great Southern Rall Trail, the Grand Ridge Rall Trail, beaches, villages and, of course, the iconic Wilsons Promontory National Park.

Section 2. Service performance indicators

for the year ended 30 June 2025

Service	Results					Comments
	2022	2023	2024	2025		
	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	3.62	4.85	4.47	4 to 10 visits	4.61	Overall attendance at Council's aquatic facilities increased by approximately 5,200 visits compared to last year. While visits to outdoor pools declined by around 700, attendance at the leisure centre rose by 5,900.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	100%	67%	100%	100%	100%	There were two animal management prosecutions finalised during this period. Council plays a proactive role directly resolving animal-related issues with the involved parties.
Food Safety Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x 100	100%	98.51%	78.26%	100%	100%	Critical and major non-compliance follow-ups have returned to 100 per cent after the implementation of a robust review and procedure change. Result is within expected range of 60 to 100 per cent.

Service	Results					Comments
	2022	2023	2024	2025		
	Actual	Actual	Actual	Target as per budget	Actual	
Governance Satisfaction <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	44	50	47	46	46	Council's score in the Community Satisfaction Survey declined by one point compared to the previous year, despite increased community consultation. Between late January and the end of February 2025, Council conducted an extensive engagement campaign to help shape the 2025–2029 Council Plan. This included 23 in-person events across 17 townships, resulting in 946 completed surveys and 1,241 suggestions for the Council Plan. Council conducts quarterly surveys, which may explain why the engagement score does not fully reflect the breadth of recent consultation activities.
Libraries Participation <i>Library membership</i> [Number of registered library members / Population] x 100	N/A	N/A	34.63%	35.00%	35.96%	New measure in 2023/24. The expected range is 20 to 40 per cent and the result was above Council's annual budget target of 35 per cent.
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100	71.87%	73.13%	71.40%	70.00%	71.97%	This result remains within the expected range. There was a slight increase compared to the 2023/24 financial year but the result is still above Council's annual budget target of 70 per cent.
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	72.73%	45.45%	77.36%	65.00%	84.13%	Council continues to maintain strong engagement with First Nations families with young children. A 6.77 per cent increase in participation is attributed to an ongoing focus on cultural safety, awareness, and inclusive practices. Through its partnership with the Best Start initiative, Council is working to create culturally safe environments that acknowledge and respect Aboriginal and Torres Strait Islander cultures. In addition, Council collaborates with the Aboriginal Network and various support agencies to strengthen referral pathways and further support engagement with First Nations families.

Service	Results					Comments
	2022	2023	2024	2025		
	Actual	Actual	Actual	Target as per budget	Actual	
Roads Condition <i>Sealed local roads below the the intervention level</i> (Percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal)	99.88%	99.95%	99.83%	95.00%	99.95%	Council's funding levels for the renewal of sealed local roads has allowed Council to be consistently above the target standard for local sealed roads.
Statutory Planning Service standard <i>Planning applications decided within the relevant required time</i> (Percentage of planning application decisions made within the relevant required time)	39.93%	25.27%	32.24%	42.00%	53.27%	Council has achieved a significant improvement in the number of applications determined within required timeframes. Allocating additional resources reflects the improvement of internal efficiencies and a stronger commitment to service delivery.
Waste Management Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100	51.93%	53.61%	52.55%	50.00%	50.00%	Waste diversion from kerbside collection services was slightly lower than previous years. Due to the introduction of the Container Deposit Scheme reducing recycling tonnages collected and dry weather conditions have led to reduced kerbside green waste tonnages.

Section 3. Financial performance indicators

for the year ended 30 June 2025

Service	Results									Comments
	2022	2023	2024	2025		2026	2027	2028	2029	
	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Efficiency										
Expenditure Level										
<i>Expenses per property assessment</i>	\$4,035.55	\$3,636.38	\$4,400.65	\$3,560.00	\$4,193.83	\$3,614.82	\$3,649.57	\$3,711.73	\$3,793.63	The increase compared to target is primarily due to one-off unbudgeted expenses due to natural disasters and the disposal of infrastructure assets. Future forecasts are still valid.
[Total expenses / Number of property assessments]										
Revenue Level										
<i>Average rate per property assessment</i>	\$2,124.70	\$2,073.71	\$2,218.59	N/A	\$2,282.46	\$2,354.56	\$2,402.68	\$2,451.80	\$2,501.91	Variation not greater or less than 10 per cent.
[Sum of all general rates and municipal charges / Number of property assessments]										
Liquidity										
Working capital										
<i>Current assets compared to current liabilities</i>	263.15%	291.57%	187.69%	172.46%	195.92%	158.13%	164.38%	194.33%	211.75%	Result is higher than target due to increased investments in the year.
[Current assets / Current liabilities] x 100										
Unrestricted cash										
<i>Unrestricted cash compared to current liabilities</i>	-99.31%	6.31%	-42.56%	N/A	-46.24%	2.22%	-0.84%	12.03%	11.81%	The amount of cash held in cash and cash equivalents in 2022/23 was high as a result of receiving 100 per cent of the 2023/24 financial assistance grant prior to the end of the year. Cash held in cash and cash equivalents in 2023/24 and 2024/25 returned to historically normal levels.
[Unrestricted cash / Current liabilities] x 100										

Service	Results									Comments
	2022	2023	2024	2025		2026	2027	2028	2029	
	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Obligations										
Loans and borrowings										
Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x 100	10.56%	19.16%	16.32%	N/A	19.60%	16.66%	13.86%	11.16%	8.53%	The increase in this measure compared to the previous year relates to new loan proceeds of \$3.02M.
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / rate revenue] x 100	0.82%	1.59%	2.13%	N/A	2.23%	2.79%	2.72%	2.65%	2.58%	The increase in 2023/24 related to a full year of repayments on loans for the Korumburra Community Hub and Korumburra streetscape, as the loan proceeds were received part way through 2023/23. This is consistent with 2024/25 levels.
Indebtedness										
Non-current liabilities compared to own source revenue [Non-current liabilities /Own source revenue] x 100	20.11%	23.90%	24.01%	N/A	25.79%	23.61%	20.93%	18.35%	15.83%	Variation not greater or less than 10 per cent.
Asset renewal and upgrade										
Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x 100	217.83%	255.90%	200.20%	284.92%	241.45%	146.24%	148.45%	127.29%	135.53%	The increase in this measure compared to 2023/24 relates to higher renewal and upgrade capital works completed in 2024/25. The variation compared to the target is due to both higher depreciation and various capital works budgeted in 2024/25 that were not completed and expected to be completed in 2025/26.

Service	Results									Comments
	2022	2023	2024	2025		2026	2027	2028	2029	
	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x 100	-1.60%	3.22%	-30.25%	N/A	5.85%	8.52%	10.17%	10.47%	10.09%	The improvement in underlying result in 2024/25 relates to both a significant increase in revenue due to the timing of receipt of the Grants Commission Financial Assistance Grant funding, as well as a decrease in expenses due to the previous year including significant natural disaster costs relating to the February 2024 storm.
Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x 100	58.85%	61.04%	73.61%	66.71%	57.50%	66.88%	66.37%	66.37%	66.53%	The decrease in this indicator is due to an increase in adjusted underlying revenue due to the timing of receipt of the Grants Commission Financial Assistance Grant funding.
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x 100	0.45%	0.27%	0.29%	N/A	0.30%	0.29%	0.31%	0.31%	0.32%	Variation not greater or less than 10 per cent.

Section 4. Sustainable capacity indicators

for the year ended 30 June 2025

Service	Results				Comments
	2022 Actual	2023 Actual	2024 Actual	2025 Actual	
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,650.17	\$2,489.05	\$2,914.97	\$2,773.13	The decrease in expenses per head in 2024/25 is primarily due to a slight decrease in expenses related to natural disasters compared to 2023/24.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$18,060.29	\$21,154.95	\$23,367.94	\$24,799.63	Asset unit rates have increased in value because of material and construction cost increases. Indexation and revaluations were performed across infrastructure asset classes as a result.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	14.52	14.62	14.76	14.68	Population growth was low for 2024/25.
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,769.73	\$1,831.49	\$1,962.37	\$1,944.59	Variation not greater or less than 10 per cent.
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$599.87	\$602.22	\$142.36	\$756.85	The increase in this indicator is due to an increase in adjusted underlying revenue due to receiving 100 per cent of the 2024/25 and 50 per cent of the 2025/26 Financial Assistance Grants allocation, while receiving no Financial Assistance Grants in 2023/24 due to receiving 100 per cent of the allocation in 2022/23.

Service	Results				Comments
	2022 Actual	2023 Actual	2024 Actual	2025 Actual	
Disadvantage <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	5.00	5.00	5.00	5.00	Variation not greater or less than 10 per cent.
Workforce turnover <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x 100	11.1%	9.6%	13.7%	16.5%	Increased turnover is the result of 16 terminations due to genuine redundancy, dismissal, deeds of release and death.

Section 5. Notes to the accounts

5.1 Basis of preparation

South Gippsland Shire Council is required to prepare and include a Performance Statement within its annual report. The Performance Statement includes the results of the prescribed, service performance, financial performance and sustainable capacity indicators and measures together with a description of the municipal district, an explanation of material variations in the results and notes to the accounts. This Statement has been prepared to meet the requirements of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

Where applicable the results in the Performance Statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from Council information systems or from third parties (e.g., Australian Bureau of Statistics or the Council's satisfaction survey provider).

The Performance Statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by the *Local Government (Planning and Reporting) Regulations 2020*. Additionally, for the prescribed financial performance indicators and measures, the Performance Statement includes the target budget for the current year and the results forecast for the period 2025/26 to 2028/29 by the Council's Financial Plan.

The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variations in the results contained in the Performance Statement. Council has adopted materiality thresholds relevant to each indicator and measure. Explanations have not been provided for variations below the materiality thresholds, unless the variance is considered to be material because of its nature.

5.2 Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the <i>Aboriginal Heritage Act 2006</i>
adjusted underlying revenue	means total income other than: • non-recurrent grants used to fund capital expenditure; and • non-monetary asset contributions; and • contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a Council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the <i>Food Act 1984</i>
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
non-current liabilities	means all liabilities other than current liabilities
own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
population	means the resident population estimated by Council
rate revenue	means revenue from general rates, municipal charges, service rates and service charges
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025



Annual Financial Report

for the year ended 30 June 2025

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for the year ended 30 June 2025

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Content Overview

These financial statements are General Purpose Financial Statements for South Gippsland Shire Council.

All figures presented in these financial statements are presented in Australian Currency.

These financial statements were authorised for issue by the Council on 17 September 2025.
Council has the power to amend and reissue these financial statements.

Annual Financial Report

for the year ended 30 June 2025

Certification of the Financial Statements

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, the Australian Accounting Standards and other mandatory professional reporting requirements.



Taryn Macfarlane, CPA
Principal Accounting Officer
Dated: 17 September 2025

In our opinion, the accompanying financial statements present fairly the financial transactions of South Gippsland Shire Council for the year ended 30 June 2025 and the financial position of the Council as at that date.

At the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify the financial statements in their final form.



Cr John Schelling
Mayor
Dated: 17 September 2025



Cr Sarah Gilligan
Councillor (Audit and Risk Committee Member)
Dated: 17 September 2025



Allison Jones
Chief Executive Officer
Dated: 17 September 2025

Independent Auditor's Report

To the Councillors of South Gippsland Shire Council

Opinion	I have audited the financial report of South Gippsland Shire Council (the council) which comprises the: • balance sheet as at 30 June 2025 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including material accounting policy information • certification of the financial statements. In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2025 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the Local Government (Planning and Reporting) Regulations 2020 and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Other information	The Councillors are responsible for the Other Information, which comprises the information in the council's annual report for the period ended 30 June 2025, but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.

Councillors' responsibilities for the financial report	The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the Local Government (Planning and Reporting) Regulations 2020, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.
Auditor's responsibilities for the audit of the financial report	As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors • conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Auditor's responsibilities for the audit of the financial report (continued)	I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
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MELBOURNE
24 September 2025



Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement

for the year ended 30 June 2025

	Note	2025 \$ '000	2024 \$ '000
Income / Revenue			
Rates and charges	3.1	52,539	50,776
Statutory fees and fines	3.2	977	1,002
User fees	3.3	4,731	4,385
Grants - operating	3.4	27,615	5,968
Grants - capital	3.4	9,956	10,955
Contributions - monetary	3.5	630	118
Contributions - non-monetary	3.5	6,689	2,487
Net gain on disposal of property, infrastructure, plant and equipment	3.6	11	633
Fair value increment on investment properties	6.2	–	37
Other income	3.7	2,067	2,881
Found assets	3.8	1,423	772
Total income / revenue		106,638	80,014
Expenses			
Employee costs	4.1	30,987	29,915
Materials and services	4.2	31,517	39,185
Depreciation	6.1	13,723	13,197
Depreciation - Right of use assets		92	92
Allowance for expected credit losses		(13)	(11)
Borrowing costs		161	143
Finance Costs - Leases		4	5
Other expenses	4.3	9,557	7,322
Total expenses		86,028	89,848
Surplus/(deficit) for the year		20,610	(9,834)
Other comprehensive income:			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss)	6.1	18,339	66,531
Total items which will not be reclassified subsequently to the operating result		18,339	66,531
Total other comprehensive income		18,339	66,531
Total comprehensive result		38,949	56,697

The above comprehensive income statement should be read in conjunction with the accompanying notes.

Balance Sheet

as at 30 June 2025

	Note	2025 \$ '000	2024 \$ '000
Assets			
Current assets			
Cash and cash equivalents	5.1	6,869	8,671
Trade and other receivables	5.1	10,257	7,662
Other financial assets	5.1	13,322	16,326
Inventories		208	296
Prepayments		673	582
Total current assets		31,329	33,537
Non-current assets			
Property, infrastructure, plant and equipment	6.1	883,617	843,214
Investment property	6.2	857	857
Right-of-use assets		177	269
Total non-current assets		884,651	844,340
Total assets		915,980	877,877
Liabilities			
Current liabilities			
Trade and other payables	5.2	3,159	5,623
Trust funds and deposits	5.2	2,821	2,434
Contract and other liabilities	5.2	1,170	1,709
Provisions	5.4	7,511	7,045
Interest-bearing liabilities	5.3	1,236	965
Lease liabilities		94	92
Total current liabilities		15,991	17,868
Non-current liabilities			
Provisions	5.4	6,406	7,020
Interest-bearing liabilities	5.3	9,063	7,324
Lease liabilities		87	181
Total non-current liabilities		15,556	14,525
Total liabilities		31,547	32,393
Net assets		884,433	845,484
Equity			
Accumulated surplus		271,898	261,785
Reserves	9.1	612,535	583,699
Total Equity		884,433	845,484

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2025

	Note	Total \$ '000	Accumulated Surplus \$ '000	Revaluation Reserves \$ '000	Other Reserves \$ '000
2025					
Balance at beginning of the financial year		845,484	261,785	582,144	1,555
Surplus/(deficit) for the year		20,610	20,610	–	–
Other comprehensive income					
Net asset revaluation gain/(loss)	6.1	18,339	–	18,339	–
Other comprehensive income		18,339	–	18,339	–
Total comprehensive income		38,949	20,610	18,339	–
Transfers to other reserves	9.1	–	(10,519)	–	10,519
Transfers from other reserves	9.1	–	22	–	(22)
Balance at end of the financial year		884,433	271,898	600,483	12,052
2024					
Balance at beginning of the financial year		788,787	272,278	515,613	896
Surplus/(deficit) for the year		(9,834)	(9,834)	–	–
Other comprehensive income					
Net asset revaluation gain/(loss)	6.1	66,531	–	66,531	–
Other comprehensive income		66,531	–	66,531	–
Total comprehensive income		56,697	(9,834)	66,531	–
Transfers to other reserves	9.1	–	(835)	–	835
Transfers from other reserves	9.1	–	176	–	(176)
Balance at end of the financial year		845,484	261,785	582,144	1,555

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2025

	Note	2025 Inflows/ (Outflows) \$ '000	2024 Inflows/ (Outflows) \$ '000
Cash flows from operating activities			
Rates and charges		51,306	49,527
Statutory fees and fines		977	1,102
User fees		5,204	4,799
Grants - operating		27,497	5,234
Grants - capital		9,594	10,225
Contributions - monetary		630	118
Interest received		608	1,609
Trust funds and deposits taken		805	1,136
Other receipts		154	1,525
Net GST refund		6,118	5,696
Employee costs		(31,164)	(29,840)
Materials and services		(40,448)	(44,254)
Trust funds and deposits repaid		(418)	(388)
Other payments		(3,494)	(3,263)
Net cash provided by/(used in) operating activities	9.2	27,369	3,226
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(34,685)	(27,605)
Proceeds from sale of property, infrastructure, plant and equipment		757	1,502
Payments for term deposits		(42,655)	(55,836)
Redemption of term deposits		45,659	70,781
Net cash provided by/(used in) investing activities		(30,924)	(11,158)
Cash flows from financing activities			
Finance costs		(161)	(143)
Proceeds from borrowings		3,022	—
Repayment of borrowings		(1,012)	(940)
Interest paid - lease liability		(4)	(5)
Repayment of lease liabilities		(92)	(91)
Net cash flow provided by/(used in) financing activities		1,753	(1,179)
Net Increase (decrease) in cash and cash equivalents		(1,802)	(9,111)
Cash and cash equivalents at the beginning of the financial year		8,671	17,782
Cash and cash equivalents at the end of the financial year		6,869	8,671

The above statement of cash flows should be read in conjunction with the accompanying notes.

Statement of Capital Works

for the year ended 30 June 2025

	Note	2025 \$ '000	2024 \$ '000
Property			
Land		–	225
Total land		–	225
Buildings		2,746	3,624
Heritage buildings		(2)	82
Total buildings		2,744	3,706
Total property		2,744	3,931
Plant and equipment			
Plant, machinery and equipment		3,037	3,795
Computers and telecommunications		494	240
Total plant and equipment		3,531	4,035
Infrastructure			
Roads		17,355	11,129
Bridges		244	211
Major culverts		105	250
Footpaths and cycleways		624	752
Drainage		333	204
Kerb & channel		390	444
Recreational, leisure and community facilities		760	111
Car parks		15	299
Waste management		2,102	3,229
Parks, open space and streetscapes		6,266	2,146
Waterway infrastructure		24	–
Other infrastructure		192	864
Total infrastructure		28,410	19,639
Total capital works expenditure	6.1	34,685	27,605
Represented by:			
New asset expenditure		54	465
Asset renewal expenditure		33,017	20,573
Asset expansion expenditure		1,497	720
Asset upgrade expenditure		117	5,847
Total capital works expenditure		34,685	27,605

The above statement of capital works should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 1. Overview

Introduction

The South Gippsland Shire Council was established by an Order of the Governor in Council on 2 December 1994 and is a body corporate. The Council's main office is located at 9 Smith Street, Leongatha.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

Accounting policy information

1.1 Basis of accounting

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Specific accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cash flow information, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1.)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1.).
- the determination of employee provisions (refer to Note 5.5.).
- the determination of landfill provisions (refer to Note 5.5.)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- other areas requiring judgements

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 1. Overview (continued)

Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

1.2 Impact of emergencies and natural disasters

During 2024/25 emergencies or natural disasters impacted Council's operations. Council has noted the following significant impacts on its financial operations:

- Additional revenue – \$5.48 million in operating grants were received in 2024/25 from disaster recovery funding arrangements for costs incurred in 2024/25 and prior and \$1.54 million in capital grants were received in 2024/25 for reconstruction of essential public assets for costs incurred prior to 2024/25.
- Additional costs – \$3.03 million additional costs were incurred in materials and services and \$0.13 million in employee costs in relation to emergencies or natural disasters. \$7.6 million of capital works were incurred for reconstruction of essential public assets.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 2. Analysis of our results

Note 2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 5 percent and \$100,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

These notes are prepared to meet the requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

2.1.1 Income / Revenue and expenditure

	Budget 2025 \$ '000	Actual 2025 \$ '000	Variance \$ '000	Variance %	Ref
Income / Revenue					
Rates and charges	52,178	52,539	361	1%	
Statutory fees and fines	1,015	977	(38)	(4)%	
User fees	4,293	4,731	438	10%	1
Grants - operating	13,868	27,615	13,747	99%	2
Grants - capital	19,134	9,956	(9,178)	(48)%	3
Contributions - monetary	1,146	630	(516)	(45)%	4
Contributions - non-monetary	441	6,689	6,248	1,417%	5
Net gain on disposal of property, infrastructure, plant and equipment	83	11	(72)	(87)%	
Other income	2,165	2,067	(98)	(5)%	
Found assets	–	1,423	1,423	100%	6
Total income / revenue	94,323	106,638	12,315	13%	
Expenses					
Employee costs	31,127	30,987	140	0%	
Materials and services	25,341	31,517	(6,176)	(24)%	7
Depreciation	12,699	13,723	(1,024)	(8)%	8
Depreciation - right of use assets	93	92	1	1%	
Allowance for impairment losses	–	(13)	13	(100)%	
Borrowing costs	164	161	3	2%	
Finance costs - leases	4	4	–	0%	
Other expenses	3,251	9,557	(6,306)	(194)%	9
Total expenses	72,679	86,028	(13,349)	(18)%	
Surplus/(deficit) for the year	21,644	20,610	(1,034)	(5)%	

Notes to the Financial Statements

for the year ended 30 June 2025

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations**Variance Explanation
Ref**

1. Increase in user fees compared to budget is primarily due to an increase in waste management fees as a result of a significant increase in waste volumes.
2. Operating grants received are higher than budgeted due to the Victorian Grants Commission providing 50% of the 2025/26 Financial Assistance Grant allocation in advance in 2024/25 (\$6.6 million), as well as \$5.5 million received relating to disaster relief funding.
3. Capital grants received are lower than budgeted due to the budget including \$8.5 million funding expected to be received for works done on landslips from the August 2022 storm event that were not received. These grants are still expected to be received in the future.
4. Monetary contributions received are lower than budgeted due to delays in contributions for developments in Korumburra and Nyora that are out of Council's control.
5. Non-monetary contributions include assets gifted on the completion of six different developments, as well as the recognising the handover of parts of the Great Southern Rail Trail. Council takes a conservative approach when budgeting for these contributions.
6. Found assets largely relates to the recognition of the Mirboo North Shire Hall, which was identified to not be in the register. Due to the nature of found assets, they are not budgeted for.
7. Higher materials and services costs are largely due to unbudgeted costs of \$3 million related to storm events. Additional unbudgeted material and services include higher costs in infrastructure maintenance, largely offset by lower employee costs due to restructure and use of contractors instead of employees. As well as a 23% increase in insurance premiums and higher costs in roadside vegetation maintenance contractors due to staff shortages during the peak period.
8. Higher depreciation than budgeted is due to an increase in property and infrastructure values subsequent to the original budget being prepared due to indexation applied as of 30 June 2024.
9. Other expenses includes infrastructure asset disposals of \$6.3 million prior as a result of renewing or upgrading \$12.1 million worth of property and infrastructure, these are not included in the original budget.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 2.1 Performance against budget (continued)

2.1.2 Capital works

	Budget 2025 \$ '000	Actual 2025 \$ '000	Variance \$ '000	Variance %	Ref
Property					
Land	–	–	–	100%	
Total land	–	–	–	100%	
Buildings	2,706	2,746	40	1%	
Heritage buildings	20	(2)	(22)	(110)%	
Total buildings	2,726	2,744	18	1%	
Total property	2,726	2,744	18	1%	
Plant and equipment					
Plant, machinery and equipment	3,123	3,037	(86)	(3)%	
Computers and telecommunications	702	494	(208)	(30)%	1
Total plant and equipment	3,825	3,531	(294)	(8)%	
Infrastructure					
Roads	19,891	17,355	(2,536)	(13)%	2
Bridges	1,031	244	(787)	(76)%	3
Major culverts	104	105	1	1%	
Footpaths and cycleways	767	624	(143)	(19)%	4
Drainage	450	333	(117)	(26)%	5
Kerb & channel	300	390	90	30%	6
Recreational, leisure and community facilities	915	760	(155)	(17)%	7
Car parks	130	15	(115)	(88)%	8
Waste management	919	2,102	1,183	129%	9
Parks, open space and streetscapes	5,150	6,266	1,116	22%	10
Waterway infrastructure	–	24	24	100%	
Other infrastructure	120	192	72	60%	
Total infrastructure	29,777	28,410	(1,367)	(5)%	
Total capital works expenditure	36,328	34,685	(1,643)	(5)%	
Represented by:					
New asset expenditure	–	54	54	100%	
Asset renewal expenditure	31,076	33,017	1,941	6%	
Asset expansion expenditure	146	1,497	1,351	925%	
Asset upgrade expenditure	5,106	117	(4,989)	(98)%	
Total capital works expenditure	36,328	34,685	(1,643)	(5)%	

Notes to the Financial Statements

for the year ended 30 June 2025

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations**Variance Explanation
Ref**

1. Lower spend on computers and telecommunications than budget is due to a delay in the recruitment of two fixed-term project management roles as well as a pause on the tender process of the finance system to allow for probity and risk mitigation to be factored into the project timelines. Unspent amounts are to be added to the Carry Forward Projects reserve in 2025/26.
2. Capital works on roads are under budget due to \$1.3 million works on landslips to be carried forward to 2025/26 and \$0.8 million funded by Local Roads and Community Infrastructure transferred to the Leongatha & Korumburra Railway Station Precincts project in parks, openspace and streetscapes.
3. Original budget of \$0.76 million for the renewal program carried forward to 2025/26 for the Bass Valley Road Bridges project.
4. Due to works on signage on the Great Southern Rail Trail still to be completed in 2025/26.
5. Capital works on the drainage rehabilitation program are under budget due to unavailability of contractors, works are expected to continue in 2025/26.
6. Higher costs on kerb & channel compared to budget due to original budget not being sufficient to complete full scope of work. Increase in works was offset by savings in buildings.
7. Due to delays in the Aquatic/Recreational Leisure Renewal Program (Non-Building) and amounts not spent in the playground renewal program. Unspent amounts are to be added to the Carry Forward Projects reserve in 2025/26.
8. Due to works not completed on the lighting renewal program and to be carried forward to 2025/26.
9. Works on Koonwarra Landfill Cell 5 were higher than originally budgeted due to \$0.85 million carried forward from 2023/24 and an additional \$0.7 million required to be spent on rectification works following weather damage.
10. Due to continued works on Leongatha and Korumburra Railway Station Precincts carried forward from 2023/24.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 2.2 Analysis of Council results by program

2.2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

CEO Directorate

Chief Executive Office

The Office of the Chief Executive Officer builds strong and productive relationships with government and key regional agencies to strengthen the performance of Council.

Regional Partnerships

The Regional Partnerships Department leads the development and implementation of key Council Strategies and Policies related to Economic Development and Communications and Advocacy service areas while connecting and engaging with key stakeholders across the community, business and government.

Performance & Innovation Directorate

Performance & Innovation Management

The Performance & Innovation Directorate provides services to the organisation, including:

- Financial Strategy;
- Digital & Technology;
- People & Culture; and
- Governance

The Director of Performance & Innovation is also a Library Board liaison and the budget for Performance & Innovation Management includes Council's annual contribution.

Financial Strategy

The Financial Strategy Department is dedicated to delivering comprehensive financial planning and effective budget management, ensures accurate rates and valuation services, oversees insurance, coordinates disaster funding arrangements and manages procurement and tendering processes. Its commitment extends to coordinating internal audits and the Audit and Risk Committee, ensuring regulatory and legislative compliance, and providing robust financial support to all departments, teams, and individuals within the organisation. The Department is driven by two key teams being the Finance and Revenue team and the Procurement and Assurance team.

Digital & Technology

The Digital & Technology Department work across all areas of Council to provide cost-effective technology and services. It aims to deliver the best quality services to the Community and provide contemporary tools for staff to operate efficiently. The team consists of Business Improvement including Privacy, Corporate Information Management, and Information Technology.

People & Culture

The People & Culture Department strive for a safe, healthy and high performing workplace, in which our people can grow both personally and professionally. It manages recruitment, workplace relations and industrial relations, gender equity & diversity and inclusion, organisational learning & development, occupational health, safety & wellbeing, human resources & performance management, workers compensation and return to work management and payroll.

Governance

The Governance Department delivers services from the Council Business team to the community, Councillors and staff. It provides support for Council meetings, briefings and hearings, corporate planning, monitoring and reporting, including development of the Council Plan and Annual Report. It leads policy review and provides reform support including the Local Government Act. Additionally, the Governance Department coordinate the handling of freedom of information requests, risk management and road naming.

Sustainable Infrastructure Directorate

Sustainable Infrastructure Management

The Infrastructure Services Development Directorate provides services including:

- Infrastructure Delivery;
- Infrastructure Maintenance;

Notes to the Financial Statements

for the year ended 30 June 2025

Note 2.2 Analysis of Council results by program (continued)

- Infrastructure Planning; and
- Open Space & Environment

Infrastructure Delivery

The Infrastructure Delivery Department delivers Council's civil and building capital works program, building maintenance programs, and community infrastructure works. This includes the delivery of associated services such as civil design, building maintenance, and oversight of engineering for developments in accordance with the service levels for development referrals.

Infrastructure Maintenance

The Infrastructure Maintenance Department provides a safe and trafficable road network by maintaining Council and associated gravel and sealed roads, and road infrastructure assets including roads, drainage, bridges, culverts, footpaths, and waterway assets. It delivers construction projects and provides a rapid response and afterhours call out service to maintain Council's roads and associated road infrastructure assets.

Infrastructure Planning

The Infrastructure Planning Department is responsible for the planning and managing of Council Assets to enable Council services to be delivered in an effective and efficient manner. This also encompasses waste management services, sustainability services, and sport and recreation.

Open Space & Environment

The Open Space & Environment Department manages recreational and public areas in the form of open space, natural and foreshore bush reserves, and parks and gardens. It includes grass mowing, garden maintenance and planting, urban / rural tree maintenance, public amenities and BBQ cleaning, playground replacement, landscape structure maintenance, rural roadside vegetation maintenance, urban fire hazard slashing, Great Southern Rail Trail maintenance, and control of roadside weeds to improve biodiversity outcomes.

Future Communities Directorate

Future Communities Management

The Future Communities Directorate provides services including:

- Community, Customer and Visitor;
- Planning & Building Services; and
- Community Health & Safety

Community, Customer and Visitor

The Visitor, Community & Culture Department provides a wide variety of community-focused services that lead Council's functions in community strengthening, tourism, events, advocacy, arts and culture, social planning and emergency management.

Planning & Building Services

The Planning Services Department undertakes strategic planning to prepare long-term landuse planning policies and planning schemes, aligned to State Government requirements, to address a range of environments, economic and social matters. It supports community members to ensure their development needs align with these policies and planning schemes through their planning permits.

Community Health & Safety

The Community Health & Safety Department provides services to the community including animal management, building/planning enforcement, fire prevention, local laws development/ enforcement, litter prevention, permits for places of public entertainment, parking control, registration of food, health and accommodation premises, report and consent applications for new buildings, school crossings and wastewater. It also supports, connects, engages and advocates for communities, children and families and individuals in South Gippsland with Children and Family Services, Community Strengthening, Regional Assessment Service and Social Planning.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 2.2 Analysis of Council results by program (continued)

2.2.2 Summary of income / revenue, expenses, assets and capital expenses by program

Functions/activities	Income / Revenue \$ '000	Expenses \$ '000	Surplus / (Deficit) \$ '000	Grants included in income / revenue \$ '000	Total assets \$ '000
2025					
Performance & Innovation Management	–	1,939	(1,939)	–	–
Financial Strategy	69,549	29,870	39,679	13,851	31,329
Digital & Technology	–	3,244	(3,244)	–	876
People & Culture	135	2,074	(1,939)	–	–
Governance	23	1,365	(1,342)	–	–
Future Communities Management	–	322	(322)	–	–
Community, Customer & Visitor	8,238	6,803	1,435	8,118	–
Planning & Building Services	1,492	2,072	(580)	245	–
Community Health & Safety	2,028	3,160	(1,132)	1,161	–
Chief Executive Office	–	307	(307)	–	–
Regional Partnerships	261	1,458	(1,197)	259	–
Sustainable Infrastructure Management	–	333	(333)	–	–
Infrastructure Delivery	6,795	4,159	2,636	6,377	–
Infrastructure Maintenance	8,422	11,518	(3,096)	7,358	11,706
Infrastructure Planning	9,533	12,501	(2,968)	77	872,069
Open Space & Environment	162	4,903	(4,741)	125	–
Total functions and activities	106,638	86,028	20,610	37,571	915,980
2024					
Performance & Innovation Management	–	1,948	(1,948)	–	–
Financial Strategy	51,978	28,695	23,283	1,908	33,806
Digital & Technology	–	3,173	(3,173)	–	1,101
People & Culture	122	1,913	(1,791)	–	–
Governance	40	894	(854)	–	–
Future Communities Management	–	359	(359)	–	–
Community, Customer & Visitor	1,420	4,600	(3,180)	1,337	–
Planning & Building Services	910	2,348	(1,438)	230	–
Community Health & Safety	2,453	3,610	(1,157)	1,558	–
Chief Executive Office	–	300	(300)	–	–
Regional Partnerships	239	1,414	(1,175)	214	–
Sustainable Infrastructure Management	29	937	(908)	29	–
Infrastructure Delivery	8,073	5,599	2,474	7,642	–
Infrastructure Maintenance	3,838	11,326	(7,488)	2,893	10,970
Infrastructure Planning	10,175	12,041	(1,866)	417	832,000
Open Space & Environment	737	10,691	(9,954)	695	–
Total functions and activities	80,014	89,848	(9,834)	16,923	877,877

Notes to the Financial Statements

for the year ended 30 June 2025

Note 3. Funding for the delivery of our services

	2025 \$ '000	2024 \$ '000
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3.1 Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the land value plus buildings and other improvements.

The valuation base used to calculate general rates for 2024/25 was \$17,583 million (2023/24: \$17,375 million).

General rates	46,578	45,084
Waste management charge	5,100	4,905
Supplementary rates and rate adjustments	242	213
Interest on rates and charges	341	286
Revenue in lieu of rates	278	288
Total rates and charges	52,539	50,776

The date of the general revaluation of land for rating purposes within the municipal district was 1 January 2024 and the valuation was first applied in the rating year commencing 1 July 2024.

Annual rates and charges are recognised as income when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

3.2 Statutory fees and fines

Land information certificates	42	33
Local laws	46	80
Building and planning compliance	222	199
Statutory planning	476	447
Supervision fees	54	183
Waste water	94	–
Other	43	60
Total statutory fees and fines	977	1,002

Statutory fees and fines (including parking fees and fines) are recognised as income when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

3.3 User fees

Aged and health services	204	301
Local Laws	484	467
Waste management services	3,878	3,493
Electric vehicle chargers	45	–
Other fees and charges	120	124
Total user fees	4,731	4,385
User fees by timing of revenue recognition		
User fees recognised at a point in time	4,731	4,385
Total user fees	4,731	4,385

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 3. Funding for the delivery of our services (continued)

	2025 \$ '000	2024 \$ '000
3.4 Funding from other levels of government		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	26,946	8,015
State funded grants	10,625	8,908
Total grants received	37,571	16,923
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants ¹	19,185	475
Immunisation	1	3
Home & Community Care	–	273
Recurrent - State Government		
Family and children	458	380
Home & Community Care	–	54
School crossing supervisors	86	84
Community building	–	3
Community health	9	20
Immunisation	11	14
Maternal and child health	597	671
Other	32	26
Total recurrent operating grants	20,379	2,003
Non-recurrent - Commonwealth Government		
Natural Disasters	35	–
Other	10	35
Non-recurrent - State Government		
Youth Services	60	121
Fire Services Levy Administration	57	55
Sustainability	244	409
Community Building	168	213
Natural Disasters	6,195	1,447
Recreation & Leisure	256	1,259
Strategic Planning	175	–
Community Safety	15	89
Other	21	337
Total non-recurrent operating grants	7,236	3,965
Total operating grants	27,615	5,968

(1) 100% of the 2024/25 Financial Assistance Grants were received in 2024/25 in addition to 50% of the estimated 2025/26 Financial Assistance Grants. 100% of the estimated 2023/24 Financial Assistance Grants allocation was paid in advance in the previous year. An additional \$0.475 million was paid and recognised in 2023/24 after the final allocation was determined.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 3. Funding for the delivery of our services (continued)

	2025 \$ '000	2024 \$ '000
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	3,100	2,385
Total recurrent capital grants	3,100	2,385
<i>Non-recurrent - Commonwealth Government</i>		
Roads	3,649	4,310
Other Structures	966	534
<i>Non-recurrent - State Government</i>		
Roads	1,544	2,490
Buildings	—	238
Footpaths	—	425
Other Structures	448	573
Plant and equipment	249	—
Total non-recurrent capital grants	6,856	8,570
Total capital grants	9,956	10,955

Notes to the Financial Statements

for the year ended 30 June 2025

Note 3. Funding for the delivery of our services (continued)

	2025 \$ '000	2024 \$ '000
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(c) Recognition of grant income

Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 Revenue from Contracts with Customers. When both these conditions are satisfied, the Council:

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the point in time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies *AASB 1058 Income for Not-for-Profit Entities*.

Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of the accounting framework under which grants are recognised.

Income recognised under AASB 1058 Income of Not-for-Profit Entities

General purpose	19,185	475
Specific purpose grants to acquire non-financial assets	10,205	10,955
Other specific purpose grants	8,081	4,286

Revenue recognised under AASB 15 Revenue from Contracts with Customers

Specific purpose grants to fund major projects	100	1,207
	37,571	16,923

(d) Unspent grants received on condition that they be spent in a specific manner:

Operating

Balance at start of year	936	1,198
Received during the financial year and remained unspent at balance date	1,272	930
Received in prior years and spent during the financial year	(467)	(1,192)
Balance at year end	1,741	936

Capital

Balance at start of year	1,142	—
Received during the financial year and remained unspent at balance date	344	1,142
Received in prior years and spent during the financial year	(1,142)	—
Balance at year end	344	1,142

Unspent grants are determined and disclosed on a cash basis.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 3. Funding for the delivery of our services (continued)

	2025 \$ '000	2024 \$ '000
3.5 Contributions		
Monetary contributions		
Monetary	630	118
Total monetary contributions	630	118
Non-monetary contributions		
Non-monetary	6,689	2,487
Total non-monetary contributions	6,689	2,487
Total contributions	7,319	2,605
<i>Contributions of non-monetary assets were received in relation to the following asset classes.</i>		
Roads	693	858
Bridges	262	19
Footpaths ¹	4,400	255
Drainage	935	1,113
Kerb & channels	303	191
Other infrastructure	96	51
Total non-monetary contributions	6,689	2,487

Monetary and non-monetary contributions are recognised as income at their fair value when Council obtains control over the contributed asset.

(1) Contributed footpaths includes the sections of the Great Southern Rail Trail from Welshpool to Leongatha. These sections were constructed by the State, and assigned to the Council by appointment as committee of management in 2021. However the amount has been recognised during the current reporting period as the Council did not obtain the necessary data to determine the value of those assets until May 2025. Information to determine the value of these assets in prior periods is not available.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 3. Funding for the delivery of our services (continued)

	2025 \$ '000	2024 \$ '000
3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Property, infrastructure, plant and equipment		
Proceeds of sale	757	1,502
Written down value of assets disposed	(746)	(869)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	11	633
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	11	633

The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.

3.7 Other income

Interest	792	1,609
Investment property rental	170	223
Other rent	109	113
Fuel tax credits	151	134
Workcover reimbursements	135	122
Other reimbursements	464	453
Other	246	227
Total other income	2,067	2,881

Interest is recognised as it is earned.

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

3.8 Found Assets

Found assets were recorded in the following asset classes.

Kerb & channels	–	129
Footpaths	–	107
Drainage	–	339
Off street car parks	–	197
Property ¹	1,423	–
Total found assets	1,423	772

Found assets are recorded when discovered by Council during maintenance, capital works or as part of the valuation process.

(1) Found property includes the Mirboo North Shire Hall building that was identified as not being on the asset register as part of the collection of condition data on buildings during the year. The amount has been recognised during the current reporting period as the Council did not have the necessary data to determine the value of the asset until the condition data was obtained in June 2025. Information to determine the value of the asset in prior periods is not available.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 4. The cost of delivering services

	2025 \$ '000	2024 \$ '000
4.1 Employee costs		
(a) Employee costs		
Wages and salaries	27,401	26,409
WorkCover	532	611
Superannuation	3,015	2,867
Fringe benefits tax	39	28
Total employee costs	30,987	29,915
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	46	51
	46	51
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,202	1,288
Employer contributions - other funds	1,767	1,528
	2,969	2,816
Total superannuation costs	3,015	2,867

Contributions made exclude amounts accrued at balance date.

Accumulation

Contributions to the Fund's accumulation category are paid at the Superannuation Guarantee (SG) rate.

Defined Benefit

Council makes employer contributions to the Fund's Defined Benefit category for 3 employees consistent with the SG rate.

In the event the Fund Actuary determines there is a shortfall in the financial position, Council will be required to make an employer contribution to cover the shortfall. There is no call expected as of 30 June 2025.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 4. The cost of delivering services (continued)

	2025 \$ '000	2024 \$ '000
4.2 Materials and services		
Materials General	6,163	6,114
Waste Management	5,459	5,357
Contractors General	5,259	4,946
Natural disasters	3,011	6,993
State levies	1,921	1,788
Software Maintenance	1,422	1,538
Leisure Centre Operations	1,415	1,492
Insurance Premiums	1,375	1,108
Consultancies and projects	1,441	1,359
Utilities	864	794
Fuel & Oils	840	1,152
Training expenses	512	601
Major project - Korumburra Showgrounds Changerooms	423	1,491
Legal Fees	312	424
Advertising & Promotion Costs	298	384
Subscriptions, affiliations and conferences	257	243
Gippsland Group Training / Labour Hire	184	176
Plant & Equipment Registrations	162	129
Other Major Projects	136	573
Leases & Rentals	87	66
Landfill Rehabilitation	(24)	2,457
Total materials and services	31,517	39,185

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

4.3 Other expenses

Disposal of infrastructure assets	6,267	4,059
Library contributions	1,617	1,573
Community & Sporting grants	960	973
Bank Fees & Charges	142	136
Councillors' allowances	363	386
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	106	88
Auditors' remuneration - Internal Audit	81	93
Other	21	14
Total other expenses	9,557	7,322

Notes to the Financial Statements

for the year ended 30 June 2025

Note 5. Investing in and financing our operations

	2025 \$ '000	2024 \$ '000
5.1 Financial assets		
(a) Cash and cash equivalents		
Current		
Cash at bank and on hand	2,531	6,590
Money market call accounts	4,338	2,081
Total current cash and cash equivalents	6,869	8,671
Total cash and cash equivalents	6,869	8,671
(b) Other financial assets		
Current		
Term deposits	13,322	16,326
Total current other financial assets	13,322	16,326
Total other financial assets	13,322	16,326
Total cash and cash equivalents and other financial assets	20,191	24,997

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 5. Investing in and financing our operations (continued)

	2025 \$ '000	2024 \$ '000
(c) Trade & Other Receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	6,103	4,870
Net GST receivable	636	383
<i>Non-statutory receivables</i>		
Other debtors	3,520	2,433
Allowance for expected credit loss - other debtors	(2)	(24)
Total current trade and other receivables	10,257	7,662
Total trade and other receivables	10,257	7,662

Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses. Long term receivables are carried at amortised cost using the effective interest rate method.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 5. Investing in and financing our operations (continued)

	2025 \$ '000	2024 \$ '000
5.2 Payables, trust funds and deposits and contract and other liabilities		
(a) Trade and other payables		
Current		
<i>Non-statutory payables</i>		
Trade payables	749	1,756
Accrued expenses	2,410	3,867
Total current trade and other payables	3,159	5,623
(b) Trust funds and deposits		
Current		
Refundable deposits from tender contracts	717	856
Fire services levy	1,194	852
Retention amounts	461	273
Other refundable deposits	449	453
Total current trust funds and deposits	2,821	2,434
(c) Contract and other liabilities		
Contract liabilities		
Current		
Grants received in advance:		
Grants received in advance - operating	–	177
Total grants received in advance	–	177
Total current contract liabilities	–	177
Other liabilities		
Current		
Deferred capital grants	1,170	1,532
Total current other liabilities	1,170	1,532
Total current contract and other liabilities	1,170	1,709

Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in Council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Contract liabilities

Contract liabilities reflect consideration received in advance from customers in respect of major projects. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

Other liabilities

Grant funding was received from various funding bodies to support the construction of various building and infrastructure assets. Grant funding is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction most closely reflect the stage of completion of the assets. As such, Council has deferred recognition of a portion of the grant funding received as a liability for outstanding obligations.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 5. Investing in and financing our operations (continued)

Purpose and nature of items

Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

Other refundable deposits - Other deposits held in trust.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 5. Investing in and financing our operations (continued)

	2025 \$ '000	2024 \$ '000
5.3 Interest-bearing liabilities		
Current		
Treasury Corporation of Victoria borrowings - secured	1,236	965
Total current interest-bearing liabilities	1,236	965
Non-current		
Treasury Corporation of Victoria borrowings - secured	9,063	7,324
Total non-current interest-bearing liabilities	9,063	7,324
Total	10,299	8,289

Borrowings are secured against rate income.

a) The maturity profile for Council's borrowings is:

Not later than one year	1,236	965
Later than one year and not later than five years	5,353	4,137
Later than five years	3,710	3,187
	10,299	8,289

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

In classifying borrowings as current or non-current Council considers whether at balance date it has the right to defer settlement of the liability for at least twelve months after the reporting period. Council's loan arrangements include covenants based on Council's financial performance and position at the end of the reporting period. These covenants are assessed for compliance after the reporting period based on specified financial ratios.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 5. Investing in and financing our operations (continued)

	Employee provisions \$ '000	Landfill restoration \$ '000	Total \$ '000
5.4 Provisions			
2025			
Balance at the beginning of the financial year	8,074	5,991	14,065
Additional provisions	2,270	55	2,325
Amounts used	(2,421)	(119)	(2,540)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	24	41	65
Balance at the end of the financial year	7,947	5,968	13,915
Provisions			
Provisions - current	7,324	187	7,511
Provisions - non-current	625	5,781	6,406
Total Provisions	7,949	5,968	13,917
2024			
Balance at the beginning of the financial year	7,999	3,534	11,533
Additional provisions	2,919	2,376	5,295
Amounts used	(2,782)	(80)	(2,862)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(62)	161	99
Balance at the end of the financial year	8,074	5,991	14,065
Provisions			
Provisions - current	6,887	158	7,045
Provisions - non-current	1,187	5,833	7,020
Total Provisions	8,074	5,991	14,065

Notes to the Financial Statements

for the year ended 30 June 2025

Note 5. Investing in and financing our operations (continued)

	2025 \$ '000	2024 \$ '000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,899	1,959
Purchased leave	192	188
Rostered days	281	305
Long service leave	815	721
	3,187	3,173
Current provisions expected to be wholly settled after 12 months		
Annual leave	932	1,056
Long service leave	3,205	2,658
	4,137	3,714
Total current employee provisions	7,324	6,887
Non-Current		
Long service leave	625	1,187
Total Non-Current Employee Provisions	625	1,187
Aggregate Carrying Amount of Employee Provisions:		
Current	7,324	6,887
Non-current	625	1,187
Total Aggregate Carrying Amount of Employee Provisions	7,949	8,074

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if the Council expects to wholly settle the liability within 12 months
- present value if the Council does not expect to wholly settle within 12 months.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability and measured at present value.

Key assumptions:

- discount rate	4.30%	4.46%
- index rate	3.30%	3.10%

Notes to the Financial Statements

for the year ended 30 June 2025

Note 5. Investing in and financing our operations (continued)

	2025 \$ '000	2024 \$ '000
(b) Landfill restoration		
Current		
Current	187	158
Total current	187	158
Non-current		
Non-current	5,781	5,833
Total non-current	5,781	5,833
Total	5,968	5,991

Council is obligated to restore Koonwarra and Foster landfill sites to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Council reviews the landfill restoration provision on an annual basis, including the key assumptions listed below.

Key assumptions:

- discount rate	4.70%	5.03%
- index rate	3.40%	3.59%

5.5 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2025.

Bank overdraft	500	500
Credit card facilities	350	350
Treasury Corporation of Victoria facilities	10,299	11,439
Total Facilities	11,149	12,289
Used facilities	10,352	8,345
Used facilities	10,352	8,345
Unused facilities	797	3,944

Notes to the Financial Statements

for the year ended 30 June 2025

Note 5. Investing in and financing our operations (continued)

5.6 Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

(a) Commitments for expenditure

	Not later than 1 year \$ '000	Later than 1 year and not later than 2 years \$ '000	Later than 2 years and not later than 5 years \$ '000	Later than 5 years \$ '000	Total \$ '000
2025					
Operating					
Transfer Stations	725	725	1,147	—	2,597
Kerbside Garbage	1,946	—	—	—	1,946
General Materials & Services	5,880	108	50	—	6,038
Equipment Hire	—	—	—	—	—
Maintenance Contracts	38	—	—	—	38
Construction Contracts	—	—	—	—	—
Workcover	8	—	—	—	8
Natural disasters	—	—	—	—	—
Software	457	—	—	—	457
Total	9,054	833	1,197	—	11,084
Capital					
Buildings	646	—	—	—	646
Roads	3,836	—	—	—	3,836
Other	106	—	—	—	106
Computers and telecomms	90	—	—	—	90
Plant, machinery and equipment	690	—	—	—	690
Footpaths	—	—	—	—	—
Kerb & channel	2	—	—	—	2
Parks, open space & streetscapes	1,395	—	—	—	1,395
Waste management	327	—	—	—	327
Recreation & leisure	430	—	—	—	430
Total	7,522	—	—	—	7,522

Notes to the Financial Statements

for the year ended 30 June 2025

Note 5. Investing in and financing our operations (continued)

	Not later than 1 year \$ '000	Later than 1 year and not later than 2 years \$ '000	Later than 2 years and not later than 5 years \$ '000	Later than 5 years \$ '000	Total \$ '000
2024					
Operating					
Transfer Stations	729	725	1,872	—	3,326
Kerbside Garbage	1,784	—	—	—	1,784
General Materials & Services	3,336	1,691	—	—	5,027
Equipment Hire	4	—	—	—	4
Maintenance Contracts	374	—	—	—	374
Construction Contracts	957	—	—	—	957
Workcover	5	—	—	—	5
Natural disasters	95	—	—	—	95
Software	557	22	—	—	579
Total	7,841	2,438	1,872	—	12,151
Capital					
Buildings	2,557	—	—	—	2,557
Roads	12,002	—	—	—	12,002
Other	159	—	—	—	159
Computers and telecomms	66	—	—	—	66
Plant, machinery and equipment	613	—	—	—	613
Footpaths	158	—	—	—	158
Kerb & channel	11	—	—	—	11
Parks, open space & streetscapes	4,909	—	—	—	4,909
Waste management	1,087	—	—	—	1,087
Recreation & leisure	103	—	—	—	103
Total	21,665	—	—	—	21,665

	2025 \$ '000	2024 \$ '000
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(b) Operating lease receivables

Operating lease receivables

The Council has entered into commercial property leases on its investment property, consisting of surplus property. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 15 years. All leases include a CPI based revision of the rental charge annually.

Future undiscounted minimum rentals receivable under non-cancellable operating leases are as follows:

Not later than one year	190	205
Later than one year and not later than five years	535	595
Later than five years	535	624
	1,260	1,424

Notes to the Financial Statements

for the year ended 30 June 2025

Note 6. Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	Carrying amount 30 June 2024 \$ '000	Additions \$ '000	Found Assets \$ '000	Contributions \$ '000	Revaluation \$ '000	Depreciation \$ '000	Disposal \$ '000	Write-off \$ '000	Transfers \$ '000	Carrying amount 30 June 2025 \$ '000
Property	228,248	–	1,424	–	2,582	(2,911)	(1,911)	–	3,434	230,866
Plant and equipment	12,070	–	–	–	–	(2,184)	(748)	–	3,444	12,582
Infrastructure	573,437	–	–	6,689	15,757	(8,629)	(3,208)	–	17,080	601,126
Work in progress	29,459	34,685	–	–	–	–	–	(1,143)	(23,958)	39,043
Total	843,214	34,685	1,424	6,689	18,339	(13,724)	(5,867)	(1,143)	–	883,617

Summary of Work in Progress	Opening WIP \$ '000	Additions \$ '000	Write-off \$ '000	Transfers \$ '000	Closing WIP \$ '000
Property	3,354	2,745	–	(2,408)	3,691
Plant and equipment	1	3,531	–	(3,444)	88
Infrastructure	26,104	28,409	(1,143)	(18,106)	35,264
Total	29,459	34,685	(1,143)	(23,958)	39,043

Notes to the Financial Statements

for the year ended 30 June 2025

Note 6. Assets we manage (continued)

	Land specialised \$ '000	Land under roads \$ '000	Land non specialised \$ '000	Total land and land improve- ments \$ '000	Heritage buildings \$ '000	Buildings non specialised \$ '000	Total buildings \$ '000	Work in progress \$ '000	Total property \$ '000
Property									
At fair value 1 July 2024	85,406	32,346	5,192	122,944	7,858	142,110	149,968	3,354	276,266
Accumulated depreciation at 1 July 2024	—	—	—	—	(3,183)	(41,481)	(44,664)	—	(44,664)
	85,406	32,346	5,192	122,944	4,675	100,629	105,304	3,354	231,602
Movements in fair value									
Additions	—	—	—	—	—	—	—	2,745	2,745
Contributions	—	—	—	—	—	—	—	—	—
Revaluation	(8,420)	—	(371)	(8,791)	838	15,702	16,540	—	7,749
Disposal	—	—	—	—	—	(2,589)	(2,589)	—	(2,589)
Write-off	—	—	—	—	—	—	—	—	—
Transfers	—	—	—	—	—	3,434	3,434	(2,408)	1,026
Impairment losses recognised in operating result	—	—	—	—	—	—	—	—	—
Found assets	—	—	130	130	—	2,874	2,874	—	3,004
	(8,420)	—	(241)	(8,661)	838	19,421	20,259	337	11,935
Movements in accumulated depreciation									
Depreciation and amortisation	—	—	—	—	(149)	(2,762)	(2,911)	—	(2,911)
Accumulated depreciation of disposals	—	—	—	—	—	678	678	—	678
Accumulated depreciation on revaluation	—	—	—	—	(355)	(4,812)	(5,167)	—	(5,167)
Impairment losses recognised in operating result	—	—	—	—	—	—	—	—	—
Transfers	—	—	—	—	—	—	—	—	—
Accumulated depreciation on found assets	—	—	—	—	—	(1,580)	(1,580)	—	(1,580)
	—	—	—	—	(504)	(8,476)	(8,980)	—	(8,980)
At fair value 30 June 2025	76,986	32,346	4,951	114,283	8,696	161,531	170,227	3,691	288,201
Accumulated depreciation at 30 June 2025	—	—	—	—	(3,687)	(49,957)	(53,644)	—	(53,644)
Carrying amount	76,986	32,346	4,951	114,283	5,009	111,574	116,583	3,691	234,557

Notes to the Financial Statements

for the year ended 30 June 2025

Note 6. Assets we manage (continued)

	Plant machinery and equipment \$ '000	Fixtures fittings and furniture \$ '000	Computers and telecomms \$ '000	Total \$ '000	Work in progress \$ '000	Total plant and equipment \$ '000
Plant and Equipment						
At cost 1 July 2024	18,698	204	6,038	24,940	1	24,941
Accumulated depreciation at 1 July 2024	(7,728)	(194)	(4,948)	(12,870)	–	(12,870)
	10,970	10	1,090	12,070	1	12,071
Movements in cost						
Additions	–	–	–	–	3,531	3,531
Contributions	–	–	–	–	–	–
Revaluation	–	–	–	–	–	–
Disposal	(2,330)	(42)	–	(2,372)	–	(2,372)
Write-off	–	–	–	–	–	–
Transfers	3,034	–	410	3,444	(3,444)	–
Impairment losses recognised in operating result	–	–	–	–	–	–
	704	(42)	410	1,072	87	1,159
Movements in accumulated depreciation						
Depreciation and amortisation	(1,560)	–	(624)	(2,184)	–	(2,184)
Accumulated depreciation of disposals	1,592	32	–	1,624	–	1,624
Impairment losses recognised in operating result	–	–	–	–	–	–
	32	32	(624)	(560)	–	(560)
At cost 30 June 2025	19,402	162	6,448	26,012	88	26,100
Accumulated depreciation at 30 June 2025	(7,696)	(162)	(5,572)	(13,430)	–	(13,430)
Carrying amount	11,706	–	876	12,582	88	12,670

Notes to the Financial Statements

for the year ended 30 June 2025

Note 6. Assets we manage (continued)

	Roads \$ '000	Bridges \$ '000	Major culverts \$ '000	Footpaths and cycleways \$ '000	Kerb & channel \$ '000	Off street car parks \$ '000	Drainage \$ '000	Waterway infra- structure \$ '000	Land Stabilisation \$ '000	Waste management \$ '000	Recreation \$ '000	Other infra- structure \$ '000	Total \$ '000	Work in progress \$ '000	Total infra- structure \$ '000
Infrastructure															
At fair value 1 July 2024	458,488	81,687	22,138	26,111	33,331	10,783	60,119	11,363	5,372	4,425	36,125	24,836	774,778	26,104	800,882
Accumulated depreciation at 1 July 2024	(68,018)	(28,381)	(6,735)	(3,889)	(6,388)	(6,132)	(26,765)	(6,657)	(1,587)	(3,642)	(30,475)	(12,672)	(201,341)	–	(201,341)
	<u>390,470</u>	<u>53,306</u>	<u>15,403</u>	<u>22,222</u>	<u>26,943</u>	<u>4,651</u>	<u>33,354</u>	<u>4,706</u>	<u>3,785</u>	<u>783</u>	<u>5,650</u>	<u>12,164</u>	<u>573,437</u>	<u>26,104</u>	<u>599,541</u>
Movements in fair value															
Additions	–	–	–	–	–	–	–	–	–	–	–	–	–	28,409	28,409
Contributions	693	262	–	4,400	303	–	935	–	–	–	–	96	6,689	–	6,689
Revaluation	25,077	8,060	2,194	(467)	4,529	616	4,808	1,119	359	–	3,251	2,202	51,748	–	51,748
Disposal	(2,884)	(1,762)	(105)	(77)	(48)	(19)	(44)	(2)	(2)	–	–	(281)	(5,224)	–	(5,224)
Write-off	–	–	–	–	–	–	–	–	–	–	–	–	–	(1,143)	(1,143)
Transfers	9,991	1,635	244	4,224	582	63	379	–	146	–	–	(184)	17,080	(18,106)	(1,026)
Impairment losses recognised in operating result	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Found assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	<u>32,877</u>	<u>8,195</u>	<u>2,333</u>	<u>8,080</u>	<u>5,366</u>	<u>660</u>	<u>6,078</u>	<u>1,117</u>	<u>503</u>	<u>–</u>	<u>3,251</u>	<u>1,833</u>	<u>70,293</u>	<u>9,160</u>	<u>79,453</u>
Movements in accumulated depreciation															
Depreciation and amortisation	(4,528)	(746)	(190)	(604)	(284)	(666)	(513)	(101)	(114)	(64)	278	(1,097)	(8,629)	–	(8,629)
Accumulated depreciation of disposals	898	785	46	18	13	11	25	–	1	–	–	219	2,016	–	2,016
Accumulated depreciation on revaluation	(20,835)	(2,792)	(677)	(4,287)	(3,707)	3,097	(2,096)	(665)	(110)	–	(2,718)	(1,201)	(35,991)	–	(35,991)
Impairment losses recognised in operating result	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers	–	–	–	(201)	–	–	–	–	–	–	–	201	–	–	–
Accumulated depreciation on found Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	<u>(24,465)</u>	<u>(2,753)</u>	<u>(821)</u>	<u>(5,074)</u>	<u>(3,978)</u>	<u>2,442</u>	<u>(2,584)</u>	<u>(766)</u>	<u>(223)</u>	<u>(64)</u>	<u>(2,440)</u>	<u>(1,878)</u>	<u>(42,604)</u>	<u>–</u>	<u>(42,604)</u>
At fair value 30 June 2025	491,365	89,882	24,471	34,191	38,697	11,443	66,197	12,480	5,875	4,424	39,376	26,669	845,070	35,264	880,334
Accumulated depreciation at 30 June 2025	(92,483)	(31,134)	(7,556)	(8,963)	(10,366)	(3,690)	(29,349)	(7,423)	(1,810)	(3,705)	(32,915)	(14,550)	(243,944)	–	(243,944)
Carrying amount	<u>398,882</u>	<u>58,748</u>	<u>16,915</u>	<u>25,228</u>	<u>28,331</u>	<u>7,753</u>	<u>36,848</u>	<u>5,057</u>	<u>4,065</u>	<u>719</u>	<u>6,461</u>	<u>12,119</u>	<u>601,126</u>	<u>35,264</u>	<u>636,390</u>

Notes to the Financial Statements

for the year ended 30 June 2025

Note 6. Assets we manage (continued)

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. Refer also to Note 8.4 for further disclosure regarding fair value measurement.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

	Depreciation Period years	Threshold Limit \$ '000
Asset recognition thresholds and depreciation periods		
Land and land improvements		
Land	-	-
Land improvements	-	10
Buildings		
Heritage buildings	100 years	15
Buildings	20 to 50 years	15
Building and leasehold improvements	20 to 50 years	15
Plant and Equipment		
Plant, machinery and equipment	1 to 25 years	-
Fixtures, fittings and furniture	1 to 5 years	15
Computers, software and telecommunications	1 to 5 years	15
Infrastructure		
Roads - pavements and substructure	130 years	-
Roads - seals	15 to 25 years	-
Roads - formation and earthworks	0	-
Roads - kerb and channel	120 years	15
Bridges	100 years	15
Major culverts	120 years	15
Footpath and cycleways	90 years	15
Off street car parks pavement	130 years	15
Off street car parks seal	20 years	15
Drainage	120 years	15
Waterway infrastructure	60 to 120 years	15
Land stabilisation	60 years	15
Waste management	4 to 50 years	15
Other structures	10 to 40 years	15
Recreation	25 to 75 years	-
Intangible assets		
Landfill air space	Useful life of the landfill cell	-
Right-of-use assets		
Building	3 years	10

Notes to the Financial Statements

for the year ended 30 June 2025

Note 6. Assets we manage (continued)

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed above and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Valuation of land and buildings

Valuation of land was undertaken by a qualified independent valuer Josh Kilgour, FAPI Member No. 62746. Valuation of buildings was undertaken by a qualified independent valuer Assetic Pty Ltd MIE(Aust) CPEng, NPER : Membership 1102199. The valuation of land and buildings is at fair value, being market value based on highest and best use, where current use is assumed to be the highest and best use. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

The date and type of the current valuation is detailed in the following table. An indexed based valuation on buildings was based on Rawlinson's Australian Construction Handbook. A full revaluation of these assets will be conducted in 2026/27.

Details of the Council's land and buildings and information about the fair value hierarchy (Note 8.4) as at 30 June 2025 are as follows:

	Level 1	Level 2	Level 3	Date of last revaluation	Type of Current Valuation
Land	–	4,951	–	Dec/24	Revaluation
Specialised land	–	–	76,986	Dec/24	Revaluation
Land Under Roads	–	–	32,346	Jun/23	Revaluation
Heritage buildings	–	–	5,009	Jun/22	Indexed Jun/25
Buildings	–	–	111,574	Jun/22	Indexed Jun/25
Total	–	4,951	225,915		

Valuation of Infrastructure

The fair value of infrastructure assets that have been revalued, other than recreation assets, has been determined in accordance with a revaluation undertaken by independent valuer Ashay Prabhu of Modelve MIE(Aust) CPEng, NPER:

Notes to the Financial Statements

for the year ended 30 June 2025

Note 6. Assets we manage (continued)

Membership 1102199. The most recent full revaluation for recreation assets was conducted by Tony Peterson, BE Civil Engineering (Council employee) in June 2021.

The date and type of the current valuation is detailed in the following table. An index based revaluation was conducted in the current year, this valuation was based on Rawlinson's Australian Construction Handbook.

The valuation is at fair value based on current replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy (Note 8.4) as at 30 June 2025 are as follows:

	Level 1	Level 2	Level 3	Date of last revaluation	Type of Current Valuation
Roads	—	—	398,882	Jun/25	Revaluation
Bridges	—	—	58,748	Jun/23	Indexed Jun/25
Major culverts	—	—	16,915	Jun/23	Indexed Jun/25
Footpaths and cycleways	—	—	25,228	Jun/25	Revaluation
Kerb & channel	—	—	28,331	Jun/25	Revaluation
Drainage	—	—	36,848	Jun/21	Indexed Jun/25
Waterway Infrastructure	—	—	5,057	Jun/23	Indexed Jun/25
Off street car parks	—	—	7,753	Jun/25	Revaluation
Land stabilisation	—	—	4,065	Jun/23	Indexed Jun/25
Waste management	—	—	719	N/A	
Recreation	—	—	6,461	Jun/21	Indexed Jun/25
Other Infrastructure	—	—	12,119	Jun/23	Indexed Jun/25
Total	—	—	601,126		

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 0% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$749 per square metre.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$109 to \$15,217 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 20 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 4 years to 130 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2025 \$ '000	2024 \$ '000
Reconciliation of specialised land		
Land under roads	32,346	32,346
Parks and reserves	76,986	85,637
Total specialised land	109,332	117,983

Notes to the Financial Statements
for the year ended 30 June 2025

Note 6. Assets we manage (continued)

6.2 Investment property

	2025 \$ '000	2024 \$ '000
Balance at beginning of financial year	857	820
Fair value increment	–	37
Balance at end of financial year	857	857

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise.

Valuation of investment property

Valuation of investment property has been determined as of 31 December 2024 in accordance with an independent valuation by Joshua Kilgour, FAPI: Member No. 62746 who has recent experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property.

Notes to the Financial Statements
for the year ended 30 June 2025

Note 7. People and relationships

7.1 Council and key management remuneration

(a) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of South Gippsland Shire Council. The Councillors, Chief Executive Officer and Directors are deemed KMP.

Details of KMP at any time during the year are:

Councillors	Councillor John Schelling (Mayor from 20 November 2024)
	Councillor Sarah Gilligan (Deputy Mayor from 20 November 2024)
	Councillor Clare Williams (Mayor to 25 October 2024)
	Councillor Nathan Hersey (Deputy Mayor to 25 October 2024)
	Councillor Adrian Darakai (to 25 October 2024)
	Councillor Brad Snell (from 8 November 2024)
	Councillor Bron Beach (from 8 November 2024)
	Councillor Jenni Keerie (to 25 October 2024)
	Councillor John Kennedy (from 8 November 2024)
	Councillor Mick Felton (to 25 October 2024)
	Councillor Mohya Davies (to 25 October 2024)
	Councillor Scott Rae
	Councillor Steve Finlay (from 8 November 2024)
Chief Executive Officer and other Key Management Personnel	Chief Executive Officer - Kerry Ellis (to 7 February 2025)
	Acting Chief Executive Officer - Allison Jones (from 8 February 2025 to 4 May 2025)
	Acting Chief Executive Officer - Tony Peterson (from 5 May 2025 to 1 June 2025)
	Chief Executive Officer - Allison Jones (from 2 June 2025)
	Director Performance & Innovation - Allison Jones (to 7 February 2025)
	Acting Director Performance & Innovation - Michelle Jorgensen (from 8 February 2025)
	Director Future Communities - Renae Littlejohn (to 6 November 2024)
	Director Future Communities - Lucas Gardiner (from 28 October 2024)
	Director Sustainable Infrastructure - Tony Peterson
	Director Strategy & Partnerships - Christian Stefani (from 8 February 2025)

	2025 No.	2024 No.
Total Number of Councillors	13	9
Total of Chief Executive Officer and other Key Management Personnel	7	5
Total Number of Key Management Personnel	20	14

Notes to the Financial Statements

for the year ended 30 June 2025

Note 7. People and relationships (continued)

(c) Remuneration of Key Management Personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Council, or on behalf of the Council, in exchange for services rendered. Remuneration of Key Management Personnel and Other senior staff is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Other long-term employee benefits include long service leave, other long service benefits or deferred compensation.

Post-employment benefits include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Termination benefits include termination of employment payments, such as severance packages.

	2025 \$ '000	2024 \$ '000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	1,412	1,347
Other long-term employee benefits	26	28
Post-employment benefits	160	151
Termination benefits	—	317
Total	1,598	1,843

	2025 No.	2024 No.
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
\$1 - \$9,999	4	—
\$20,000 - \$29,999	4	—
\$30,000 - \$39,999	2	7
\$40,000 - \$49,999	2	—
\$60,000 - \$69,999	—	1
\$70,000 - \$79,999	1	—
\$80,000 - \$89,999	2	1
\$100,000 - \$109,999	1	—
\$170,000 - \$179,999	1	—
\$220,000 - \$229,999	1	—
\$240,000 - \$249,999	—	1
\$260,000 - \$269,999	—	2
\$270,000 - \$279,999	2	—
\$330,000 - \$339,999	—	1
\$340,000 - \$349,999	—	1
	20	14

Notes to the Financial Statements

for the year ended 30 June 2025

Note 7. People and relationships (continued)

	2025 No.	2024 No.
The number of other senior staff are shown below in their relevant income bands:		
Income Range:		
\$180,000 - \$189,999	1	5
\$190,000 - \$199,999	5	3
\$200,000 - \$209,999	1	1
	<u>7</u>	<u>9</u>

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$170,000 and who report directly to a member of the KMP.

	2025 \$ '000	2024 \$ '000
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	1,191	1,515
Other long-term employee benefits	31	38
Post-employment benefits	143	166
Termination benefits	—	—
Total	<u>1,365</u>	<u>1,719</u>

Notes to the Financial Statements
for the year ended 30 June 2025

Note 7. People and relationships (continued)

	2025	2024
	\$ '000	\$ '000

7.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into the following transactions with related parties:

Employee remuneration under normal employment terms	34	—
Total paid for sales of goods & services from BJ's Earthmoving	2,976	3,768

A Councillor has disclosed a business interest with BJ's Earthmoving, of which there were 36 transactions during the current period for contractor services.
All transactions are in line with normal commercial practice.
Transactions were made on standard terms through an open tender process. The Councillor with the business interest in the related party was not present during meetings and did not vote during the open tender process.

(b) Outstanding balances with related parties

Included in trade and other payables is \$Nil (2024 - \$55,797) owing to related parties for purchase of goods & services.

(c) Loans to/from related parties

There were no loans in existence at balance date that have been made, guaranteed or secured by the Council to a related party.

(d) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the Council to a related party was \$1.0 million (2024 - \$2.4 million) in relation to BJ's Earthmoving.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 8. Managing uncertainties

8.1 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

(a) Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

At balance date Council was impacted by five significant storms in June 2022, August 2023, December 2023, February 2024 and August 2024. These storms led to clean-up and recovery activities costing council \$20.6 million. Council has lodged claims with the Victorian State Government for assessment in line with the Disaster Recovery Funding Arrangements 2018. At June 2025 seven claims across three of the five events totalling \$2,683,803 are undergoing formal assessment. The amount repayable will not be known until later in the 2025/26 financial year.

A further \$9.1 million costs across four of the five events have not yet been submitted for assessment. The amount repayable will not be known until the 2025/26 financial year or later.

(b) Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- present obligations that arise from past events but are not recognised because:
- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Superannuation

Council has obligations under a defined benefit superannuation scheme for employees within the defined benefit category of the Local Authorities Superannuation Fund (the Fund) that may result in the need to make additional contributions to the scheme.

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 98% from 26 July 2024.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

(c) Performance Guarantees

Council has the following bank guarantees with Commonwealth Bank of Australia for contract performance and security deposits.

Description	Favouree	Amount
Security Deposit Guarantee	Environment Protection Authority	\$451,296
Total		\$451,296

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2025 reporting period. Council assesses the impact of these new standards. As at 30 June 2025 there were no new accounting

Notes to the Financial Statements

for the year ended 30 June 2025

Note 8. Managing uncertainties (continued)

standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2025 that are expected to impact Council.

In September 2024 the Australian Accounting Standards Board (AASB) issued two Australian Sustainability Reporting Standards (ASRS). This followed Commonwealth legislation establishing Australia's sustainability reporting framework. Relevant entities will be required to undertake mandatory reporting of climate-related disclosures in future financial years. Public sector application issues remain under consideration and Council will continue to monitor developments and potential implications for future financial years.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 8. Managing uncertainties (continued)

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and TCV borrowings. Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of Council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council has exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- Council has a policy for establishing credit limits for the entities Council deals with;
- Council may require collateral where appropriate; and
- Council only invests surplus funds with financial institutions which have a recognised credit rating specified in Council's investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

Notes to the Financial Statements

for the year ended 30 June 2025

Note 8. Managing uncertainties (continued)

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any allowance for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of Council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- has a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- has readily accessible standby facilities and other funding arrangements in place;
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitors budget to actual performance on a regular basis; and
- sets limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates of 4.4%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

8.4 Fair value measurement

Fair Value Hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

Council has considered the amendments to AASB 13 Fair Value Measurement that apply for the 2024-25 financial year as a result of AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities. For assets, where the Council adopts a current replacement cost approach to determine fair value, the Council now considers the inclusion of site preparation costs, disruption costs and costs to restore another entity's assets in the underlying valuation.

The AASB 13 amendments apply prospectively, comparative figures have not been restated.

The AASB 13 amendments have not resulted in any material impacts to Council's financial statements.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 8. Managing uncertainties (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. (For plant and equipment carrying amount is considered to approximate fair value given short useful lives). At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 5 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Asset Class	Revaluation frequency
Land	1 to 5 years
Buildings	1 to 5 years
Roads	1 to 5 years
Bridges	1 to 5 years
Major culverts	1 to 5 years
Footpaths and cycleways	1 to 5 years
Kerb & channel	1 to 5 years
Off street car parks	1 to 5 years
Drainage	1 to 5 years
Waterway infrastructure	1 to 5 years
Land stabilisation	1 to 5 years
Recreation	1 to 5 years
Other infrastructure	1 to 5 years

Where the assets are revalued, the revaluation increases are credited directly to the asset revaluation reserve except to the extent that an increase reverses a prior year decrease for that class of asset that had been recognised as an expense in which case the increase is recognised as revenue up to the amount of the expense. Revaluation decreases are recognised as an expense except where prior increases are included in the asset revaluation reserve for that class of asset in which case the decrease is taken to the reserve to the extent of the remaining increases. Within the same class of assets, revaluation increases and decreases within the year are offset.

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets, other than property and infrastructure assets measured at fair value, to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss

Notes to the Financial Statements

for the year ended 30 June 2025

Note 8. Managing uncertainties (continued)

is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 8. Managing uncertainties (continued)

8.5 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 9. Other matters

	Balance at beginning of reporting period \$ '000	Increase (decrease) \$ '000	Balance at end of reporting period \$ '000
9.1 Reserves			
(a) Asset revaluation reserves			
2025			
Property			
Land and land improvements	78,200	(8,791)	69,409
Land under roads	15,722	–	15,722
Heritage buildings	4,508	483	4,991
Buildings	69,274	–	69,274
Buildings - non specialised	14,304	10,890	25,194
	182,008	2,582	184,590
Plant and equipment			
Plant machinery and equipment	386	–	386
	386	–	386
Infrastructure			
Roads	294,763	4,242	299,005
Bridges	40,163	5,268	45,431
Footpaths and cycleways	8,267	(4,754)	3,513
Drainage	15,320	2,712	18,032
Recreational, leisure and community facilities	1,048	533	1,581
Offstreet car parks	2,530	3,713	6,243
Major culverts	12,238	1,517	13,755
Kerb & channel	19,993	822	20,815
Waterway Infrastructure	1,069	454	1,523
Land Stabilisation	284	249	533
Other infrastructure	4,075	1,001	5,076
	399,750	15,757	415,507
Total asset revaluation reserves	582,144	18,339	600,483

Notes to the Financial Statements

for the year ended 30 June 2025

Note 9. Other matters (continued)

	Balance at beginning of reporting period \$ '000	Increase (decrease) \$ '000	Balance at end of reporting period \$ '000
2024			
Property			
Land and land improvements	69,984	8,216	78,200
Land under roads	15,722	–	15,722
Heritage buildings	3,844	664	4,508
Buildings	69,274	–	69,274
Buildings - non specialised	–	14,304	14,304
	158,824	23,184	182,008
Plant and equipment			
Plant machinery and equipment	386	–	386
	386	–	386
Infrastructure			
Roads	270,085	24,678	294,763
Bridges	36,159	4,004	40,163
Footpaths and cycleways	5,283	2,984	8,267
Drainage	12,462	2,858	15,320
Recreational, leisure and community facilities	–	1,048	1,048
Offstreet car parks	1,809	721	2,530
Major culverts	11,082	1,156	12,238
Kerb & channel	16,989	3,004	19,993
Waterway Infrastructure	714	355	1,069
Land Stabilisation	–	284	284
Other infrastructure	1,820	2,255	4,075
	356,403	43,347	399,750
Total asset revaluation reserves	515,613	66,531	582,144

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 9. Other matters (continued)

	Balance at beginning of reporting period \$ '000	Transfer from Accumulated Surplus \$ '000	Transfer to Accumulated Surplus \$ '000	Balance at end of reporting period \$ '000
(b) Other reserves				
2025				
Restricted reserves				
Public Open Space	624	244	–	868
Development Contributions	355	238	–	593
Total restricted reserves	979	482	–	1,461
Discretionary reserves				
Corner Inlet Reserve	6	–	–	6
Venus Bay Surf Life Saving Club	150	–	–	150
Carry Forward Projects	420	3,082	–	3,502
Unexpended Grants	–	6,618	–	6,618
Asset Development	–	325	(22)	303
Renewable Energy	–	12	–	12
Total discretionary reserves	576	10,037	(22)	10,591
Total Other reserves	1,555	10,519	(22)	12,052
2024				
Restricted reserves				
Public Open Space	735	60	(171)	624
Development Contributions	–	355	–	355
Total restricted reserves	735	415	(171)	979
Discretionary reserves				
Corner Inlet Reserve	11	–	(5)	6
Venus Bay Surf Life Saving Club	150	–	–	150
Carry Forward Projects	–	420	–	420
Total discretionary reserves	161	420	(5)	576
Total Other reserves	896	835	(176)	1,555

Public Open Space

Statutory reserve to be used for the future development of land for public purposes.

Development Contributions

Funds held from the collection of development contribution levy income to be expended on infrastructure projects in line with the requirements of the Development Contribution Plan.

Caravan Parks Reserve

Reserve created for future funding of Caravan Parks projects

Corner Inlet Reserve

Reserve for maintenance of a seawall to protect private lands from flooding.

Venus Bay Surf Life Saving Club

Notes to the Financial Statements

for the year ended 30 June 2025

Note 9. Other matters (continued)

Reserve to hold funds from a community capital works allocation to allow the club time to attract further funding from other agencies

Carry Forward Projects

Funds held from unexpended projects at the completion of a financial year. Reserve funds are to be applied to carried forward projects expected to be completed in a future financial year.

Unexpended Grants

Funds held from grant monies, to be expended in future financial years, and not recognised in the Balance Sheet as 'Grants in Advance' at the end of each financial year. External restrictions may or may not apply in line with individual funding agreements.

Asset Development

Funds set aside for contingency planning purposes as well as for contribution to future major projects.

Renewable Energy

Funds held to develop, support and maintain sustainable energy programs.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 9. Other matters (continued)

	2025 \$ '000	2024 \$ '000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	20,610	(9,834)
Non-cash adjustments:		
Depreciation/amortisation	13,815	13,289
(Profit)/loss on disposal of property, infrastructure, plant and equipment	(11)	(633)
Fair value adjustments for investment property	–	(37)
Contributions - Non-monetary assets	(6,689)	(2,487)
Amounts disclosed in financing activities	165	148
Found assets	(1,423)	(771)
Disposal of infrastructure assets	6,265	4,059
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(2,595)	(1,008)
(Increase)/decrease in inventories	88	(137)
(Increase)/decrease in prepayments	(91)	5
Increase/(decrease) in trade and other payables	(2,464)	(1,015)
Increase/(decrease) in employee entitlements	(125)	75
Increase/(decrease) in trust funds and deposits	387	748
(Decrease)/increase in contract and other liabilities	(539)	(1,633)
Increase/(decrease) in landfill provision	(24)	2,457
Net cash provided by/(used in) operating activities	27,369	3,226

Note 10. Changes in accounting policies

10.1 Changes in accounting policies due to adoption of new accounting standards – not retrospective

Council has adopted AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Fair Value Measurement of Non-Financial Assets of Not-for-Profit Sector Entities to modify AASB 13 Fair Value Measurement and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants, from 1 July 2024.

a) AASB 2022-10 amends AASB 13 Fair Value Measurement for fair value measurement of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash flows. There was no material impact on the financial statements from the adoption.

AASB 2022-6 amends AASB 101 Presentation of Financial Statements to improve the information an entity provides in its financial statements about long-term liabilities with covenants where the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangements. There was no impact on the financial statements from the adoption.

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